PARIS, SATURDAY-SUNDAY, AUGUST 21-22, 1982

ESTABLISHED 1887

PLO Returns Israelis, Prepares to Start Beirut Evacuation

BEIRUT - The Palestine Libernion Organization on Friday anded over two captured Israeli servicemen and the bodies of nine other Israeli soldiers killed in Lebanon, apparently removing the last obstacle for a Saturday start to the peaceful withdrawal of PLO guerillas from Beirut.

The Lebanese Army took up po-sitions in the area of Beirut's port as Israeli troops withdrew to make way for the arrival early Saturday of 350 French soldiers — the van-guard of the multinational force that will oversee the evacuation. A frigate sailed from Italy on Friday with an advance party of that country's contingent to the force, and President Reagan said in Washington he had approved the dispatch of 800 Marines to Beirut. Gen. Amir Drori, the command-

er of Israeli forces around Beirut, said on Israel state radio that all Israel's demands had been met and the evacuation would begin as scheduled Saturday.

Israel had demanded the return of the two prisoners and the soldiers" remains as a precondition for allowing a peaceful withdrawal of the estimated 11,500 PLO and Syrian-commanded troops from

The Red Cross said the PLO handed over the prisoners and bodies at Beirut's port, at the northern end of the Green Line dividing Palestinian-held West Beirut from the Israeli-occupied

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An hour before the Red Cross received the two prisoners, they appeared at a news conference hastily arranged at the PLO's in-formation office in West Beirut.

Aharon Ahiaz, a pilot, said with a slight smile that he was treated well during his 75-day captivity. It is a look and upon their arrival both said they were in good Ronnie Harush, an infantryman-



At PLO headquarters in West Beirut, Abou Zeim, the PLO's military security chief, center, announced the release of Israeli pilot Aharon Ahiaz, left, and Ronnie Harush, an Israeli soldier.

captured south of Beirut Wednesday night, answered inaudibly when reporters tried to questioo

A special rabbinical dispensation permitted the two to be flown Ten minutes after the prisocers Kaddish, the Jewish prayer for the were transferred, a Red Cross dead. truck brought the coffins of five Israeli soldiers killed in the Israeli invasioo that began June 6 and four killed in Israel's 1978 occupa-tion of southern Lebanon. The

The transfers came after Philip

C. Habib, the special U.S. envoy, transmitted guarantees to the PLO through Premier Shafiq al-Wazzan of Lebanon of the safety of Paleschief Israeli military chaplain, tinian civilians remaining behind Gen. Gad Navon, inspected the and the safe passage of the fighters



evacuation procedure, key details of which were confirmed by the PLO foreign press spokesman,

After the arrival Saturday of the

transfer to various Arab countries. These guerrillas will continue to leave over a period of three to five

oud Labadi:

the arrival Saturday of the Beginning oext Wednesday, vanguard of the multina-there will be a three-day deploy-

peace force — including 450 more French, the 800 U.S. Marines and 500 Italians.
On Friday, the rest of the PLO guerrillas, estimated to oumber

about 4,000; 1,500 Syrian troops, and about 3,000 Syrian-command-ed troops of the Palestine Liber-arion Army will begin leaving by

bus for Syria along the Beirut-Damascus highway. Last to go will be the PLO chairman, Yasser Arafat, and other offi-cials of the various PLO factions. Mr. Arafat is expected to go to Tunis, where the Arab League beadquarters is located, PLO and

Lebanese sources said. Guerrillas packing or carrying suitcases were a common scene in several West Beirut neighborhoods Friday, while PLO demolition experts detonated land mines that had been planted in the streets and on the beachfront.

Israeli forces encircling West Beirut began allowing the Red Cross to bring food and fuel into the predominantly Moslem western sector Thursday, although nor-mal electric power was still not

But Israeli officials in Jerusalem said there were no plans for their forces to leave Beirut or Lebanon until all Syrian troops and Palestinian guerrillas were out of the country. There are still several thousand PLO guerrillas in corthern Lebanon, near the city of Tripoli, and the Israelis estimate there are 4,000 to 5,000 more in the Be-kaa Valley of eastern Lebanoo along with an estimated 25,000 to 30,000 Syrians.

Lebanoo's foreign mioister, Fuad Botros, has said that he hopes to begin talks oext week, with Mr. Habib's belp, leading to the withdrawal of all foreign troops from Lebanon.

In announcing on Friday that the United States would send 800 Marines to help with the evacuation, Mr. Reagan said the U.S. troops would have a "carefully limited concombatant role."

The president, in a brief statement in the White House Rose Garden before leaving for a two-

(Continued on Page 2, Col. 3)

Bankers Agree to Delay Mexico Loan Payments

Compiled by Our Staff From Dispatcher

NEW YORK — International out of this liquidity problem, we bankers agreed Friday to allow Mexico to delay repayment of \$10 billion of debt and to consider extended the agreement also calls for the setablishment of an advibillion of debt and to consider extending to the country new loans for the establishment of an adviof up to \$1 billion.

Refael Resendiz, a Mexican govorganize a syndicated loan of be-

Mexico's debt plan, and further interest rate cuts, sent New York stocks sharply higher. Page 9.

credits from the International

Monetary Fund. Mr. Resendiz was speaking after a meeting between Mexican offi-cials, led by Finance Minister Je-sus Silva Herzog, and representa-tives of more than 100 of the country's bank creditors, including 55

from the United States. Mr. Silva Herzog said the agree-ment provides that Mexico would continue to pay interest due in the next three months but that payments of principal would be de-

layed 90 days. Mexico, shouldering \$80 billion in public and private debt to foreigners; has seen the value of its peso plummet this year, the infla-tion rate soar and its oil sales stag-

The meeting was held in a 10th floor conference room at the Federal Reserve Bank of New York, but the Fed's only role in the meeting was to supply a room, according to a a Fed spokesman, Arthur

Mr. Silva Herzog said after the two-hour meeting, "We have been facing a liquidity problem, a cash

Nothing essential has hap-lion, pened to the production capacity ports.

tending to the country of ap to \$1 billion.

Refael Resender a Mexican government spokesman, also said that tween \$500 million and \$1 billion his country, bit hard by the world to help Mexico through its cash wide recession and low on cash. Shortage in the coming weeks.

He did not identify the banks, the did not identify the banks, and they represented the Unit-

ed States, Japan. Europe and Mex-Asked whether Mexico was in

danger of defaulting on any of its debt, Mr. Silva Herzog said: Not

Jean Marce, senior vice president of Paribas, a major French bank, said that about 20 to 25 bankers spoke during the meeting, all of them expressing support for Mexico's proposal.

He said he expects a meeting will be held by the end of September of all banks to consider the details of the expected IMF arrange-ment that should we worked out by that time. International monetary sources

said Friday that the IMF was expected to tap its borrowing arrangements with Saudi Arabia and the central banks of several countries in putting together a big loan package for Mexico by mid-Octo-

U.S. banks are owed about \$17 billion by Mexico. Friday's edition of American Banker, a daily industry publication, said the nine largest U.S. banks have \$12 billion on loan to Mexico, about 2 percent of

Bank of America in San Francisco, the largest commercial bank in the world, is thought to hold the most Mexican debt, about \$3 billion, according to published re-



A Lebanese woman leaves the Red Cross supply truck in West Beirut with food. Although more food and fuel bave been allowed into the city's western sector, there is still no electricity.

Hopes for Economic Recovery, Prospects for Fall Elections Drew Support of Both Parties

North Lebanon Fears Israeli Military Strike

By Marvine Howe New York Times Service

TRIPOLI, Lebanon - Fears are Palestinian guerrillas in the north and in the Bekaa Valley in the east; with the Lebanese again caught in

The Israelis are believed to be intent oo pushing the Palestinians out of all of Lebanon, even at the risk of elashes with the Syrian Army, which controls the northern and eastern sectors.

In recent deployments the Israelis moved to the peaks at Aqura, 22 miles (35 kilometers) south of bere, and reportedly to the Beharre area, 16 miles to the southeast. From Bcharre, Israeli artillery can strike Tripoli, with its 500,000 inhabitants, and control the road running eastward across the central Lebanon mountain range into the Bekaa Valley.

While the Israelis have moved armored units northward from the Beirut area, Syria has also strengthened the position of its forces around Tripoli and brought in reinforcements and troops of the Syrian-controlled Palestine Liberation Army into villages around Zghorta, four miles to the

Lebanese political sources say the Tripoli area appears a likely Is-raeli target. They say there are two Palestinian refugee camps — nt Badawi, two miles northeast of Tripoli, and at Nakr el-Bared, six miles beyond — with a combined population of 25,000.

There has been an increase in Palestinians fleeing from Beirut and southern Lebanon in advance of the Israeli invasion forces. Palestinian guerrillas can be seen in and near the camps.

give any indication of the strength of their fighting forces, but Lebanese experts say there may be as many as 7,000. Furthermore, the growing in oorthern Lebanon that Syrians have brought Palestine once the Beirut crisis is over the Liberation Army troops bere by Israelis will begin a drive against bus and left them in the Zghorta area without vehicles or logistical

Syrian forces are deployed throughout the Bekaa Valley and eastward from the village of Sofar-on the Damascus road and south to the region of the Karaun hills. Estimates of the oumber of Palestinian guerrillas in the Bekaa Valley have ranged from 2,000 to

Another reason residents fear an Israeli attack is that this area is the center of Lebanese Christian and Moslem groups favorable to Syria and opposed to Israel and to the Lebanese Christian alliance beaded by Beshir Gemayel, who is seen as an Israeli collaborator.

Syrians Cautious

There is no strong military force in the area to challenge the Israelis because most of the groups are splintered. Only the Syrians have significant armed strength, and they are believed eager to avoid a confrontation with the Israelis after the losses the Syrians suffered in June in the Bekaa Valley.

Diplnmarie quarters say they do not expect a confrontation between the Israelis and the Syrian forces, which are estimated at 60,000, but believe that Israel will demand a Syrian pullout as the main condition for its own withdrawal from Lebanon.

Adding to the anxieties of the Lebanese in Tripoli was a warning Thursday by Israel's defense min-ister, Ariel Sharon, that Israel would not tolerate harassment by Palestinians under Syrian protection in northern Lebanon.

INSIDE

Britain's summer is being enlivened by a most unlikely political squabble between the Conservative Party and a traditional ally, the Confederation of British Industry. Page 2.

■ The U.S-China accord on arms for Taiwan is just another in a long series of diplomatic blows to the Taipei government, but none of them have had much impact on the lives of the people or the island's

**Corsican insurgents seeking independence for the French island claimed responsibility for about 70 explosions early Friday, the day that the ocw Regional Assembly chose its first president.

Russia Reported To Agree to U.S. **Grain Extension**

The Associated Press

WASHINGTON - The Soviet Union has accepted a one-year extension of a grain agreement with the United States, an administration source said Friday.

No details were provided, but the source said the Soviet Unioo definitely had accepted the offer of a one-year extension propose by President Reagan on July 30. The source said the Agriculture De-partment would announce the agreement shortly.

The agreement, which originally took effect on Oct. 1, 1976, was due to expire on Sept. 30.

It calls for the Soviet Union to buy a minimum quantity of U.S. wheat and corn each year — at least 5.4 million tons, with the opoon of taking 2 million tons more. A metric too is about 2,205

Beirut Feels The Burn of

Phosphorus

By Loren Jenkins

BEIRUT - Her lips are swollen and blackened, her thin frame swathed in ointment-soaked gauze. From her bed in a makeshift hospital at International College, she recalled when the shell hit the underground garage where she and her family were hiding a week ago.

"Everything suddenly went dark," said 17-year-old Fatmeh Aytawi, "and then I remember a brilliant white flame, and I felt I was suddenly on fire."

Doctors said that hours later, when rescue workers finally had dug the Aytawi family out of the rubble and had rushed them to the hospital, their bodies were still smoldering. Miss Aylawi's mother died Monday, while her father re-mains in serious condition. Four sisters and a brother also are hos-

pitalized. Doctors at International College and at hospitals throughout West Beirut have reported seeing an increasing oumber of burn patients like Miss Aytawi and her seven family members, who they say are victims of Israeli phosphorus shells that were part of the intense bom-

bardment of the Lebanese capital. The wounds are distinctive and much harder to treat than ordinary burns, the doctors say, in part because phosphorus sticks to the skin and can burn for hours. It cannot be extinguished by water, which causes a chemical reaction that makes the wound burn more. Like the Aytawi family, victims often arrive at the hospital with smoke still pouring out of their bodies from internal burns.

Israeli authorities say they use the shells only as "markers" to (Continued on Page 2, Col. 3)

U.S. Congress Reagan's Leadership Bolstered by Bipartisan Vote on Tax Gives Reagan Tax Increase

By Karen W. Arenson

New York Times Service WASHINGTON — Both houses of Congress approved a \$98.3-bil-lion tax bill Thursday night in a crucial victory for President

The House, considered the biggest stumbling block to passage, voted 226-207, about 6 p.m. An bour later, the Senate took up the bill passing it in three hours, 52-

Mr. Reagan, who appeared on national relevision earlier in the week to lobby for the bill, had said it was necessary to reduce interest rates and to ensure economic re-

Mr. Reagan called his victory in the House an important part of the "crusade to get the country's economy moving again." He praised the bipartisan major-

ity that prevailed, saying, "Honorable men and women can bonestly disagree. They can also leave their disagreements behind them. Let's leave our differences behind us

(Continued on Page 3, Col. 7)

WASHINGTON — The dramatic, uphill victory on the \$98.3-billion tax bill, proba-

bly the most crucial vote of his presidency, bolsters President Reagan's political leadership and his hopes for spuring economic recovery, a key to the Repoblican Party's showing in the November elections. The president had made his leadership and the need for economic momentum the

By Hedrick Smith

New York Times Service

central issues of the battle over one of the largest tax increases in history, and it was these two issues that proved decisive with many of the wavering Republicans and Democrats in the final hours before the vote in the House of Representatives. Leaders of both parties insisted that the 226-207 victory would strengthen business confidence and demonstrate to the financial

gress could take the politically unpopular decision to bring down the deficits, help bring down interest rates and ease the path That vote is good for the country," said Robert H. Michel of Illinois, the jubilant House Republican leader. "We're going to see those interest rates decline. Nobody thought that in an election year we could

pass a tax bill that would raise so much rev-

enue. This vote shows the money markets

markets that the administration and Con-

what we do that we mean business on holding down those deficits." Democrats as well as Republicans ac-

knowledged that Thursday's victory was the sthem into office. vindication of a major political gamble by the president, restoring his reputation for political mastery of Congress despite recent slippage in public opinion polls.

By abandoning ideological consistency

NEWS ANALYSIS

and shifting away from pure supply-side economics, Mr. Reagan not only gave a more moderate tone to his economic policy but risked an open breach with Republican But, under pressure from Democrats for a

good Republican showing the president managed to carry 103 Republicans with him against the 89 Republican rebels, many of whom broke with him Thursday for the first time on a major issue. Mr. Reagan maintained his unbroken string of legislative victories on the most

which he has clashed so often in the past 18 Indeed, it was Thomas P. O'Neill Jr. of Massachusetts, the speaker of the House and the president's most renowned political

crucial votes by accepting compromise with the House Democratic leadership with

minded younger Republicans that the Reagan victory in 1980 had helped carry

"About 30 of you are here because of President Reagan," Rep. O'Neill said, "Are you going to follow the leader who elected By helping the president, the Democratic leaders have now significantly blunted White House charges that House Democrats

were blocking the Reagan economic program and even stalling recovery and have diminished the president's prospects for attacking them in the fall campaign.

The political fallout on all incumbents depends on what the economy does," said Rep. Charles W. Stenholm, a Texas Demo-

crat. "If the economy goes up, they'll all be better off, and if the economy goes down, they'll all be worse off." Personal Prestige

Defeat would have been a disaster for the president, crippling not only the public view of his ability to lead economic policy but his capacity to push legislation through Congress. Most Republicans conceded that if the president had lost Thursday after staking his personal prestige on victory, it would have been costly to Republicans in the fall

That fear and concern about further ecoand the smart people out there who watch rival, who made the most moving plea for nomic setbacks were persuasive with about jority leader.

Republican support in House debate. He re- 25 Republicans who shifted into the president's camp Thursday. Typically, Heary J. Hyde, an Illinois Republican, said he had supported the bill because of "a fear of what the reaction in the financial markets would be if we defeated this and failed to address the deficit, plus a strong desire not to undercut the president."

But even victory is not an unalloyed political gain for the White House. Because Mr. Reagan depended on Democrats for 123 of the 226 votes, he will find it harder to run a sharply partisan campaign against them this

Moreover, he must now turn to healing a costly split in his own Republican ranks. Conservatives who opposed him have been angered by what they call the "hardball" politics of such presidential political aides as Lyn Nofziger and Ed Rollins or Rich Bond, deputy chairman of the Republican National Committee, who have threatened to withhold political support from dissident Re-

But Republican conservatives as well as House Democratic leaders expect the president to quickly reassert his more typical line of pressing for more spending curs and threatening to veto any budget-busting bills.

The lion has not laim down with the

lamb just because of today's vote," said James C. Wright Jr. of Texa's, the House ma-



President Reagan in the Oval Office of the White House after receiving the news that the House had approved his tax bill. The Senate, later in the night, also approved the tax increase.

Tories and Business Wrangle Over Best Economic Strategy

LONDON - For the last two weeks, the British

root the last two weeks, the British vacation season has been enlivened by a most unlikely political squahble between the Conservative Party and one of its traditional hackers.

Like the Republican Party in the United States and the National Association of Manufacturers, the Tories and the Confederation of British lodustry oormally lie comfortably in the same political bed.

But not this year — oot in the midst of a profound recession, with unemployment still around three million and output falling.

recession, with unemployment still around three mulion and output falling.

Early this month, the quarterly trends survey issued by the confederatioo painted an unrelievedly glonmy picture of cuts in capital investment, declining orders, export failures and joh losses. Almost a third of the companies questioned said they were less optimistic than they had been four months ago about the prosperse of improvement.

pects of improvement.

At the same time, Sir Terence Beckett, the outspoken director general of the organization, who formerly beaded the Ford Motor Co.'s operations here, because the product of the control of the co gan lobhying for greater government stimulus for the economy. Without some stimulus, said Sir James

By Bernard D. Nossiter

New York Times Service
UNITED NATIONS, N.Y. — It was an unusual day for the General Assembly's Decolonization

Committee, a group accustomed to

Thursday they heard two resi-

hear. Venezuela, Cuba and Czech-

oslovakia tried to stop the islan-ders from speaking, saying they first had to be approved by a sub-committee headed by Czechoslova-

But the committee chairman,

Frank O. Abdullah, of Trinidad

and Tobago, refused, suggesting that diplomats should listen to

Bulgaria, Afghanistan and the

Soviet Union grumbled, but no-

body challenged Mr. Abdullah's

ruling. The islanders went ahead with their case.

United Nations idea of self-deter-mination," Mr. Cheek said, "We

look to you lo support us."

"We believe passionately in the

m Argeotina,

Falklanders Plead Case

Cleminson, head of the confederation's economic situation committee, failures of British companies would continue to increase rapidly.

All of that was too much for Prime Minister Mar-Air of that was too much for frine Minister Mar-garet Thatcher and her associates, particularly Sir Geoffrey Howe, the chancellor of the Exchequer. They take considerable pride in having brought the annual rate of inflatico down to 8.7 percect in July, its lowest level since December, 1978. They also argue that British business has become more competitive because of the huge layoffs of the last few years.

Sir Geoffrey himself suggested that the industrial-ists had become "obsessed by gloom and despondeo-

And the Thatcher government emphasized that it was not interested in increases in public spending or tax cuts as a means of getting the economy moving.

Then another unlikely thing happened: Sir Terence decided to meet with Peter Shore, the spokesman oo economic policy for the opposition Labor Party, who had put forward a five-point plan of economic stimutes. lus that in some ways dovetailed with his own. Mr. Shore advocated, among other things, more public spending on construction and sharper cuts in interest rates, which are already on the way down here.

That meeting infuriated not only many people in the government but also some members of the con-federation. Tuesday night, one of the largest construction companies in the country, Taylor Woodrow, announced that it was pulling out of the organization. Richard Puttick, the company's chairman, said he wanted "to see an injection of optimism rather than nessimism."

But the official figures for July seem to give little reason for optimism. Manufacturing output dropped by 1.7 perceot from the May total and now stands at its lowest level for more than 15 years.

The debate has reached into the Cabinet as well. apparently reviving the argument between the "wets" and the "drys" about economic strategy. Michael Heseltine, the environment minister, denounced the nation for having oo collective will to deal with its economic problems — a comment that the decoders of policial symbols took as a criticism of government

James Prior, the leader of the "wets" within the Cabinet, went even further, describing the present level of unemployment as "intolerable" and calling for oew measures to create more jobs.

"If Mrs. Thatcher doesn't want me," he said when

asked how he could reconcile his views with those of the prime minister, "she can always get rid of me." The subject is sure to get an airing at the Conserva-tive Party's annual conference in Brighton, which opens Oct. 5 at the start of the new political year. But in the interim, while most of the country is on holi-day, the infighting and maneuvering seems likely to continue, to the detriment of Mrs. Thatcher's overall political strength.

Poll Finds Thatcher Slips

LONDON (Reuters) — Support for Prime Minister Thatcher among British voters has slipped from the peak reached after Britain's victory in the Falklands

peak reached after Britain's victory in the Falklands conflict, according to a Gallup Poll published Thursday in the Daily Telegraph.

Of those questioned, 49 percent said they were satisfied with Mrs. Thatcher as prime minister, down from 52 percent last month in the aftermath of the South Atlantic conflict with Argentina.

Support for the Conservatives slipped two points to 44.5 percent while backing for the Labor opposition was also slightly down at 26.5 percent, the poll found. The survey was carried out earlier this month.

DOME AD

ARAB EMIRATES

WORLD BRIEFS

Peru Declares an Emergency Rule

LIMA — The Peruvian government declared a state of emergency Friday in Lima and the nearby port of Callao, following the worst night of political violence since the restoration of democracy two years ago.

The measure, which suspends constitutional guarantees and gives pobee extensive powers of search and arrest, was announced by Premier Manuel Ulloa Elis after a Cabinet meeting.

The decision was announced after insurgents blacked out the capital by blowing up power pylons and attacked shops and public huildings.

Mr. Ulloa said the measure would remain in force indefinitely, but according to the constitution it must be renewed after 60 days.

cording to the constitution it must be renewed after 60 days.

Mutiny Over, Seychelles Lifts Curfew

VICTORIA, Seychelles — A round-the-clock curfew imposed during a short-lived muriny by soldiers was lifted Friday after the capture of most of the fugitive mutineers, official news organizations reported.

Seychelles Agence-Presse said life in the Indian Ocean archipelago was back to normal with people going to work as usual and the international airport open. A communique from defense force headquarters said some of the mutineers had fled into the jungle outside Victoria.

The communique said that a few members of the loyal forces died in Wednesday's battle to retake the government-run radio station, Radio Seychelles, and other key installations on the main island of Mahe. It added that some loyal soldiers and rebels were wounded in the mutiny, which becam Tuesday with the declared aim of deposing certain senior

which began Tuesday with the declared aim of deposing certain senior

Ecevit Begins 2d Jail Term of Year

ANKARA - Former Premier Bulent Ecevit went to prison Friday for violating the military regime's ban on public statements by politicians, six months after he served a two months of a three-month jail sentence for a similar offense.

Mr. Ecevit, 57, was sentenced in July to 2 months and 27 days in jail in connection with an article he wrote in the West German magazine Der Spiegel. In that article, he criticized the National Security Council, Turkey's governing body.

Mr. Ecevit will be required to serve an extra month that had been dropped from his previous sentence because of good behavior. A civilian prosecutor had turned down a request from Mr. Ecevit for a four-month postponement of the sentence to await charges pending on two other cases due to be heard against him.

Shultz Reiterates Stand on Pipeline

WASHINGTON — Secretary of State George P. Shultz reaffirmed Friday the U.S. opposition to the sale of technology for the natural gas pipeline that is being built from Siberia to Western Europe, and the continuation of economic sanctions because of the situation in Poland.

"The president's position is firm," Mr. Shultz said. In response to a question, he said he had no immediate plans to travel to Brussels to discuss the pipeline issue with European allies. The United States fears Europe will become dependent on Russia for its energy because of the

Mr. Shultz also reiterated that, in the U.S. view, developments in Poland have not been sufficient for Washington to lift its sanctions against companies selling technology for the pipeline. He said the United States had no choice but to "push ahead with sanctions as they have been put in place." He also said he believed that U.S. sanctions so far have caused the Soviet Union difficulty in the project.

Natal Adopts Botha's Party Changes

DURBAN, South Africa - The ruling National Party won approval Friday from the first of four provincial congresses for a plan to include mixed-race and Asian minorities in the government.

The Natal branch of the party unanimously endorsed Prime Minister Pieter W. Botha's proposals, which also include creation of a strong executive presidency.

Congresses in the other provinces must also approve the changes before they become policy. A National Party congress accepted the plan last month. The liberal opposition as well as militant Asian, mixed-race and black leaders reject the proposals as "too little, too late." The plan excludes the nation's black majority. The government argues that blacks already have political power in 10 tribal homelands.

Compiled From Agency Dispotches

Israel and the PLO: Decades of Conflict

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LIBYA

To Reluctant UN Panel Mr. Blake described their life until British troops forced the Ar-gentine invaders off the islands. The Argentines, he said, corbed free speech; interned people for listening to English broadcasts;

hearing spokesmen for liberation movements saying "Let my people mines without maps, creating a danger that still imperiled the islanders, and "smashed, soiled and looted" homes. He said the Argentines told the

jailed others arbitrarily; scattered

termination, a committee battle cry, did not apply to the Falk-

members from the Third World and the Soviet bloc were eager to Britain, be argued, seized the is-lands from Argentina in 1833. The wishes of the inhabitants

UNITED NATIONS, N.Y. (AP) — The Decolonization Com-mittee decided Friday to keep the Falklands dispute under review. At the request of 20 Latin American countries, including Argentioa, the Falklands dispute has been added to the agenda of the Gener-

1948. Palestine, with both Jewish and Palestinian Arab residents, was under a British mandate approved by the League of Nations Council in 1922. The British, who had advocated a "national home" for the Jewish people in Palestine with the Buffery Dealestine of

Palestine with the Balfour Declaration of 1917, found their position in the Palestine mandate west of the Jordan increasingly untenable after World War II. In the face of conflicting claims and bloody strife involving Palestinian Arabs and a growing Jewisb population, Britain turned the problem over to the fledgling United Na-

Before the establishment of Israel in

In November, 1947, the UN General Assembly recommended the partition of Palestine and the establishment of separate Arab and Jewisb states. The Jews proclaimed the establishment of the State of Israel on May 14, 1948.

1948. The creation of the state of Israel lesds to war with the Arabs. The modern Palestine refugee problem is born out of the flight of Palestinians that began in the final months of the British mandate.

·1962. El-Fatah is founded, initially as a clandestine sabotage group, by Yasser Arafat. 1964. As a consequence of Arab

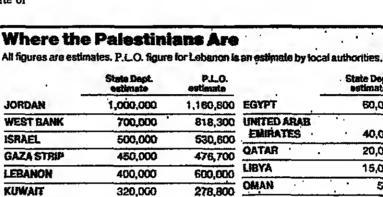
League decisions in January, the Palestine Liberation Oraganiza-tion is formed four months later at a meeting of the Palestinian Coogress in Jerusalem. Ahmed Shukairy, the Palestinian delegate to the Arab League, is named chairman of the PLO and a Palestine national charter and constitution are approved.

1967. Israel's sweeping victory in the 1967 war leads to a radicalization of the liberation movement. Fatah begins to em-erge as the movement's domi-nant guerrilla group. 1969. Mr. Arafal takes over as

PLO chairman 1970. The concentration of PLO guerrillas in Jordan, where they make raids into Israel, leads to growing tension with the government of King Hussein. In what is known as Black September" to Palestinians, the Jordanian Army drives the guerril-

las out of Jordan. Early 1970s. Lebanon becomes the main base for the PLO, with the guerrillas concentrated in

1975. The Lebanese civil war enelops various factions of Moslems, Christians and Palestinians. There are also frequent clashes between Israeli and Pal-



250,000

120,000

P.L.O. estimate		State Dept.	P.L.Q.
,160,800	EGYPT	60,000	48,500
818,300	UNITED ARAB	• .	•
530,600	EMIRATES	40,000	34,700
476,700	QATAR .	20,000	22,500
600,000	LIBYA	15,000	23,000
278,800	OMAN	500	48,200
215,500	OTHER COUNTRIES	424,500	238,300
127,000	TOTAL	4,300,000	4,642,900
20,000			
	Sources: Ste	its Department; Palestinus	n Stanshool Abelract

estinian forces across the Lebanon-Israel border. 1976. Syrian troops enter the

SAUDI ARABIA

Lehanese civil war. After first siding with the Christian Lebanese against the PLO guerrillas, Syria reverses itself and Israel becomes the chief supporter of Christian militias opposing Pal-estinian guerrillas in the south of Lebanon.

1978. After the death of 30 Isracli civilians in a PLO raid, Israel invades Lebanon, pushes the Palestinians north and establishes a "security zone." A UN contingent moves into the buffer zone between the Lebanon-Israeli border and the Litani River. The Israelis withdraw.

1979. The PLO resumes attacks against Israel, and Israeli forces respond with strikes against

guerrilla enclaves in Lehanon, Clashes between Israelis and the PLO continue into the 1980s. June 6, 1982. Israeli forces in-

SYRIA

SAUDI ARABIA

LEBANON Beirut

EGYPT

WEST BANK Amman

vade southern Lebanon to destroy PLO military bases. June 9, 1982. As fighting be-tween Israeli and Palestinian forces continues in coastal towns, other Israeli ground forces push near Beirut.

June 12, 1982. The first of a series of Israeli-PLO cease-fires begins, with Israeli forces effectively laying siege to Beirut. June 17, 1982. Philip C. Habib,

the U.S. special envoy, begins his efforts to reach a diplomatic solution to the crisis. Aug. 6, 1982. Senior Lebanese officials say that the PLO and Mr. Habib bave agreed on all

major points regarding a PLO withdrawal from Lebanon. Aug. 8, 1982. Prime Minister Menachem Begin of Israel says

there are grounds to believe that the PLO guerrillas "will leave shortly and we will not have to enter West Beirut."

Aug. 10, 1982. Israel accepts "in principle" the Habib plan for evacuating guerrillas from West Beirut but continues attacks on Palestinian areas, includin Aug. 12, the heaviest bombard-

captured pilot, a soldier, and the

Aug. 20, 1982The PLO meets Israel's final objections and prepares to leave Beirut.

now-closed and shell-battered Bar-

hir Hospital, said most hospitals lacked both the supplies and the

expertise to treat phosphorus vic-tims properly. She said doctors

were relying mostly on printed in-

formation compiled by U.S. mili-

lery shells dug from the rubble of the main Palestinian neighbor-

hoods on Beirut's southern tringes

have hollowed interiors coated

with yellowish-orange oxide, and the pungent odor of phosphorus is

Other phosphorus shells have hit

the city's center in the vicinity of the Haura Street husiness district.

At least two of the city's 19 hospi-

tals have reported being hit by the

Some doctors, especially those who have not treated phosphorus

burn patients, are reluctant to esti-

mate their oumber, saying pressure on hospital laboratories have made

chemical analyses impossible.

Medical records often do not dis-

ringuish phosphorus victims from

Joseph Ayyad, a Palestinian of

Spanish citizenship who is Faunch Aytawi's doctor, said he was treat-

other burn patients

ty Organization.

unmistakable.

Officials Fence Square Used in Warsaw Protest Compiled by Our Staff From Dispatches demonstrations in support of Soli-

fence was erected Friday around Victory Square, scaling off War-saw's main public forum for oppooents of martial law.

Officials said the fence is necessary to prepare for repaving the square, which is roughly the size of two football fields. It lies in the beart of the city and is overlooked by two luxury hotels, the opera, and a church.

For more than a year, people have laid crosses of flowers on the square, first in memory of the late Polish Roman Catholic primate, Cardinal Stefan Wyszynski, Lately, the square has become a center

of protest against martial law. Three times since Aug. 13 - the start of the ninth month of rule by martial law - riot police used water cannons to disperse crowds at

Overt Demonstrations All unauthorized meetings have

tary doctors in Vietnam and on a handbook of war surgery published by the North Atlantic Treabeen banned under martial law, and gatherings around the cross of flowers took the form of overt There is no way to determine accurately how many phosphorus shells have been dropped on Beirut. But dozens of 155mm artil-

U.S. Blacks Report Being Detained in S. Africa Homeland

Washington Post Service
JOHANNESBURG — Three black Americans visiting South Africa, including a federal judge, said they were detained and interrogated for two hours by security police in the tribal homeland of Ciskei.

The three were traveling with a group of U.S. jurists invited here by a South African black lawyers' association. Members of the group said Thursday that they were also followed throughout a two-day visit to Cape Town by men they be-lieved to be members of the security police. They said they were questioned at a roadblock when they visited a court in Cape Town.
Judge Thelton Henderson of
U.S. District Court in San Francis-

oo, said he, Julius Chambers, a civil rights lawyer from Charlotte, N.C., and Vivian Chambers were detained Aug. 11 and accused of being spies. He said they had wanted to visit a courthouse in the town of Zwelitsha, where a group of young blacks was appearing in a

security mai.
The chief of the homeland's security police, Maj. Gen. Charles
Sebe, denied the allegation.
Questioned about the incident

after the American group had described it to South African oews-papers and to the U.S. Embassy in Pretoria, Mr. Sebe said: "This never happened. It is a bunch of lies." Mr. Sebe is a brother of President Lennox Sebe of the Cisker homeland, one of several areas reserved for blacks and granted cominal in-dependence by South Africa.

federation.

Solidarity leaders have called for a campaign of leaflets to lead up to mass demonstrations on Aug. 31, the second anniversary of the union's emergence. On that date in 1980, the government and union leaders agreed in Gdansk on a pact guaranteeing the right of workers to form independent unions.

But a veleran Western diplomat predicted Friday in Warsaw that Solidarity will fall short of mustering "massive demonstrations" on The diplomat said demonstra-

tions against the regime could take place in a dozen cities.

"But I don't think they will be massive, with tens of thousands of people in the streets," he said. The memory of Solidarity alone is not enough to get those kinds of numbers. And the government so far hasn't acted in a way to drive people to the streets."

However, the source said, "It all could be different if the regime tries to put down demonstrations with violence and htutality." Thus far, there has been little re-

ported response in Warsaw to Soli-darity's call for a 2-week campaign of posters, leaflets and graffiti, which was to have begun last Monday.

Martial law authorities have re-

peatedly suggested that Poles disregard calls for street protests, and warned that it would show no leniency toward "those who plan opposition activity."
"Every effort of sowing unrest

must be met with reaction from the forces of order," the official government oewspaper Rzeczpospolita said Friday.

A Solidarity leaflet circulated

Friday said that a well organized. extensive resistance movement was in operation, with good communi-cation between major centers and an information network reaching most of Solidarity's members.

The weekly Warsaw under-ground bulletin Tygodnik Ma-zowsze said, "The mass resistance movement is based mostly on un-ion cells within factories," and that clandestine Solidarity groups were operating in nearly every factory. university and scientific institute.

But Western observers and Poles said the hulletin's report appeared highly optimistic.

Polish Freighter Sinks

The Associated Press YSTAD, Sweden — A Polish freighter capsized and sank late Thursday in the port of this city in southern Sweden, the national press agency reported Friday. Forty persons on board managed to leave the freighter before it sank. The freighter capsized while its cargo was being unloaded.

Assembly Chief Chosen Compiled by Our Staff From Dispatches AJACCIO, Corsica — An insurgent group seeking independence for Corsica claimed responsibility for about 70 explosions on this French island early Friday.

held by a Paris-appointed regional

won 13 percent of the vote in the assembly election, giving them the balance of power between tradiriocal leftist and rightist groupings in the legislature.

there were only two minor injuries hut extensive damage to banks, stores, post offices and office buildings in the shopping areas of Ajaccio, Bastia, Calvi and other major cities. The businesses hit were owned mainly by residents of the French mainland or by compa-nies whose headquarters are there.

the Corsican National Liberation Front, said it was resuming a camproblem of the Corsican nation.' It added that "colonialism" was

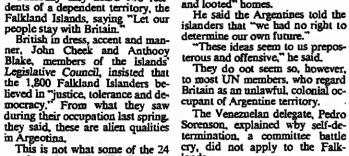
cootinuing.
The Corsican group, which declared a truce in its armed struggle sooo after the Socialist Party came to power in France just over a year ago, made its views known in printed tracts distributed through out the island Thursday night and

The explosions took place three days after President François Mitterrand announced stern measures to deal with terrorist attacks in

en as a setback to Mr. Mitterrand's plan to keep peace on the island by drawing the separatists mto the political mainstream. On the other hand, groups demanding

HARRY'S N.Y. BAR ®

5st, 1911
5, rue Daumou, PARIS
Just tell the taxi driver
"sank roo doe noo" or Falkenturm Str. 9, Munich or M/S Astor at sea



are subordinate to the principle of "territorial integrity," he said. So, he added, the islands must be "re-

Issue Under Review

stored to the legitimate sovereignty

al Assembly's regular session next

70 Blasts Hit Corsica;

The series of explosions took place on the day that the new Corsican Regiocal Assembly chose its first president. Representatives in the 61-seat assembly who were elected Aug. 8 chose Prosper Al-fonsi, the leader of the island's

center-left Radical Movement. Mr. Alfonsi, who leads a pro-Mitterrand group in the assembly. was elected in the third round of voting when he won the support of nationalist deputies. Mr. Alfonsi will in effect become chief executive of the island, a role previously

prefect. The Corsican nationalist parties

In the bombings, the police said

Separatists Claim Bombings

lo claiming rsponsibility for the bombings, the separatist group, paign of violence aimed at achieving independence because "the French state refuses to face the

leased later. The violence in Corsica could be

> bassy employee.
> Direct Actioo claimed responsi bility Thursday for another attack, the bombing of editorial offices of the rightist weekly Minute, be-cause of the magazine's support for Israel.

The goveroment formally banned the group Wednesday.

Prosper Alfonsi Elected in Corsica

tioo last week and in that of its president on Friday.

Paris was using the elections to uodermioe the independence

tralization program, Corsica be-came the first French region to elect a regional assembly. France's 21 other regions will vote for such assemblies in about two years.

12 Arrested in Paris Friday that they had arrested 12 members of the outlawed Direct Actioo guerrilla group that had claimed responsibility for several anti-Semitic attacks in Paris.

police headquarters for questioo-

in a newspaper interview that it had been his group that bombed a bank linked to the Rothschild business interests and a Jewishowned shop and had machine gunned the car of an Israeli Em-

greater autocomy for the island participated in the assembly elec-

The Corsican National Liberatioo Front had urged a boycott of the assembly elections, saying that

Under Mr. Mitterrand's decen-

parties decounced Friday's bomb-

All of the island's main political

PARIS (UPI) - The police said

The 12 members of the far-leftist group were arrested at their homes early Friday and taken to central ing, the police said. They were re-The group's leader, Jean-Marc

Rouillan, 20, was not among those arrested. Mr. Rouillan was being sought by the police after he said

weeks, though, we have been get-ting a oumber of serious burn patients," he said.

who is a volunteer surgeon at the makeshift Lahout Hospital at West Beirut's Near East Theologi-

cal Center, described a man, about

60, who was brought in with a trained. Lebanese director of the

nities for achieving a comprehen-sive settlement in the Middle East. At the same time, he said, the dispersal makes it more urgent than ever to pursue an overall Middle East settlement But resumption of the Palestini-

Major Speech by Begin lo Tel Aviv, a major speech hy Prime Minister Menachem Begin was released Friday in which he admitted there were peaceful "albut that the invasion was neces-

Israel in a closed Aug. 8 speech at the National Defense College. Ex-cerpts were published in Friday's newspapers. "There is no moral imperative lng that the Americans would remain as long as the withdrawal process was going forward.

Mr. Shultz, at his first news con-

The invasioo of Lebanon "does not really belong to the category of wars of no alternative," Mr. Begin said. "We could have gone on see-ing our civilians injured in Metulla or Kiryat Shemona or Nahariya." "True, such actions were not a

"All hope that the Lebanese crisis would prompt some sort of pan-Arah action against the enemy proved to be mere dreams," wrote Mobarumed Muhib Jabr, a Pales-Arab Emirates newspaper.

wider Arab position.

efforts failed. "The Arab dark tunnel which Arafat once talked about is getting longer and darker," Mr. Jabr

ment of the siege. Aug. 19, 1982. Israel approves a final draft of the evacuation

plan and says it will permit the PLO to leave if they return a bodies of nine Israelis.

Beirut Feels the Burn of Phosphorus Bombs

(Continued from Page 1) guide artillery because their smoke helps gunners zero in on their targets. The Israelis say phosphorus shells have been used in this fashion since World War II and hlamed civilian injuries on Palestiman guerrillas who chose to make their stand in civilian-occu-

pied parts of the city. With the chaos that the twomonth Israeli siege and bombard-ment has produced, it is impossihie to determine exactly how many civilians have been killed, maimed or disfigured by Israeli phosphorus shells. Still, many doctors say the number of burn cases they have mooth, which corresponds with the first physical evidence of heavy phosphorus-shell use.

Sameer Shehadi, chief of surgery at the American University of Beirut's teaching hospital, said that most of the serious injuries treated during the early part of the war were from bullets and shrap-"In the last two or three

Troy Rusli, a Norwegian doctor

"Smoke from the burning phosphorus inside him was coming ont his cose and mouth with every painful breath," Dr. Rusli said. We had to cut the shrapnel out of him before we could finally stop the burning by cutting away the

oel lodged in his chest.

scorched tissues Information Scarce

"No weapon is a good weapon," said John Barton, an American professor of medicine who is working as a volunteer at the same hos-"But this one, the phosphorus bomb, is one of the worst." Dr. Amal Shamma, the U.S.-

seen has increased markedly this PLO Returns Israelis, Is Set to Quit Beirut

ference since taking office a month

ago, said the dispersal of the PLO

to a cumber of other Arab coun-

tries will provide greater opportu-

week California vacation, said the U.S. troops would be removed immediately if shot at and that "m no case will our troops stay longer than 30 days."

"Our purpose will be to assist

the Lebanese armed forces in car-rying out their responsibility for

ensuring the departure of PLO leaders, officers and combatants in Beirut from Lehanese territory under safe and orderly conditions," he added Mr. Reagan said the withdrawal "will set the stage for the urgent international action required to re-

foreign forces from that He also called for swift action based oo the Camp David peace accords "to resolve the Palestinian issue in all its aspects."

Later Friday, U.S. Secretary of State George P. Shultz clarified Mr. Reagan's remark that the American troops would withdraw if fired upon. The president was

not referring to some stray shot by some kook." Mr. Shultz said, add-

unity and territorial integrity, obtain the rapid withdrawal of all

an autocomy talks will not be easy, he said, in part because of the profound hostility in the Arab world to the Israeli invasioo of Lehanon.

sary to prevent greater casualties Mr. Begin outlined his views on war and peace and their relation to threat to the existence of the state," he said. "But they did threaten the lives of civilians

day after day, week after week, month after month." Meanwhile, Arab commentators Friday took a glonmy view of the PLO's evacuation of Beirut. Radio, television and newspaper commen-tators used the word "impotence" again and again to describe the

whose number we cannot estimate,

tinian, in Al Khaleej, a United The 22-nation Arah League Council has attempted several times to convene an Arab summit to debate the Israeli invasion. All

ing 17 phosphorus-hum patients, A Mail Train in Spain

Spain's two largest cities and made off with at least 10 bags believed full of jewels and boods last might police sources said Friday.

They said two gunnen, firing in the air, entered a mail coach as the Barcelona-Madrid train stormed at

Is Waylaid by Gunmen REUS, Spain — Hooded gun-men halted the mail train between

Barcelona-Madrid train stopped at a signal about a mile (1.6 kilometers) outside the station at Reus. south of Barcelona. They over-powered four guards then threw the bags to accomplices waiting in two getaway cars.

Soildarity Claims Resistance

On Taiwan, Experience Cushions the Impact of the New U.S.-China Agreement

By Steve Lohr New York Times Service

TAIPEI - Patrick Lin presented the view here this week spparently held by most Tarwanese on the agreement between Washington and Peking in which the Reagan administration agreed to limit future arms sales to

"Nothing will change as a result of this communique," said Mr. Lin, who runs a small electronics plant in Hsinchu, 40 miles (64 kilometers) south of here. "And it was no surprise."

Mr. Lin noted that the communique, which was released Tuesday, was simply further evi-dence of Taiwan's isolation from other govern-ments, its need for self-reliance and the necessity of diversifying its arms supplies.

The 18 million people on this island have become accustomed to being spurned by other nations, at least diplomatically and politically.

In 1971, the People's Republic of China displaced Taiwan, formally known as the Repub-lic of China, in the United Nations. In 1979, the United States withdrew its diplomatic recognition of Taiwan and recognized the mainland as the "real" China.

Today only 23 nations maintain official diplomatic relations with Taiwan.

Yet none of those political setbacks have had much effect on the day-to-day lives of the people of Taiwan. The nation's economy has recorded one of the highest growth rates in the world over the last two decades, greatly improving the Taiwanese standard of living. "People here have lived through so many of

these diplomatic events in the past that they are numb to them," observed Diane Ying, the editor of Tien Sia, an influential monthly mag-

azine that covers economic and social affairs. Public reaction to the joint communique was also softened by a barrage of advance warning in oewspapers.

The Taipei stock market index advanced steadily after the communique was released, apparently because the American concession to China was less than had been feared.

Taiwan's strength is its economy. It has trade relations with more than 140 nations, and Taiwan's rapid growth, political stability and well-educated, diligent workers have made it an attractive place for foreign investment.

The communiqué should not alter the economic dynamism or the climate for investment here," said Carter Booth, general manager of the Chase Manhattan Bank in Taiwan and president of the local American Chamber of

Though the immediate effects may be few, the Reagan administration's agreement to gradually reduce arms sales to Taiwan is taken as a sign that the nation cannot rely on the United States for its security as much as it has in the past. "Taiwan has no choice but to buy arms elsewhere," a commentator said.

That is a course the government has so far resisted. It has argued, for example, that buying fighter planes now from other countries would involve the costly maintenance of two logistics systems. In addition, given Taiwan's diplomatic isolation, that would be difficult

For more than three decades Taiwan has been ruled with a firm hand, under martial law, by the Kuomintang, the Nationalist Party, which has the avowed aim of recovering the mainland. The joint communiqué predictably brought calls from President Chiang Chingkuo, Chiang's son, for redonbled efforts to "fulfill our national policy of anti-Communism and national recovery."

nism and national recovery. Yet even Taiwanese who express little fondness for the Kuomintang and who still resent the mainlanders' control of their island, believe that the threat from China is real and that Taiwan should maintain a strong defense. Moreover, they distrust recent overtures from the mainland for a "reunification," despite as-surances from the Communist leadership that Taiwan could retain its economic and social

On these issues there is little dissent, pubbcly or privately. Most people agree with the assessment of James C.Y. Soong, a senior government official: "Ultimately the issue here is way of life. If there is a reunification and the Communists take control, can we maintain our way of life? Everyone here doubts that."

The implicit argument against remification anytime soon is Taiwan's relative prosperity compared with the mainland. In 1981, the percapita income in Taiwan was nearly \$2,400. compared with about \$300 on the mainland. Clearly the mainland has the wrong formula," a local banker said. "Taiwan may not be paradise, but why should we want to join with the Communist mainland?"

would otherwise have expired

sooner. The measure was aimed at

gaining liberal support and votes

from states where unemployment

In the Senate, nine liberal Dem-

ocrats voted for the bill. Edward

M. Kennedy, Democrat of Massa-chusetts, said it was a fairer mea-sure than last year's tax cut "since

it asks the most of those wealthy

corporations and individuals who

"Like everyone else in this House and in this country, I hate

taxes, and the polls are reflecting this fact," said Rep. Delbert L. Latta, Republican of Ohio. "But

my mail also reflects the fact that

people hate the deficits worse than

Jack F. Kemp, Republican of New

York, expressed concern that it

compliance or a tax increase, we are taking \$100 billion out of the economy, out of the pockets of the

"Whether we call this reform or

would actually hurt the economy.

But not everyone agreed that the tax bill would help the economy. Several House members, including

is a major problem.

can afford to pay more."

the taxes."

Curfew Lifted as Government Ends 2 Days of Police Rioting in Bombay

all of Bombay's 22,000 constables took part in the revolt that began Wednesday, although police job artions are illegal. They were demanding better pay and working for 41 beautiful to the persons were killed.

for 41 hours in several districts of central Bombay.

Violence resumed in Bombay on Thursday, when troops fired on a crowd of police constables and mill workers. One person was fa-tally shot in the head, police said. That death brought to five the number of people killed in the two-day uprising. More than 100 people were injured.

Government officials said nearly

TORONTO HOTEL FIRE — Clutching a handkerchie

against smoke, a man leans from a window at the Hotel

Plaza II, a 37-story hotel and apartment tower in central

Toronto. A man was killed and 16 persons were hospital-

ized. The fire Thursday started in an 18th-floor apartment.

Sikh Hijacker Is Killed

On Indian Airlines Jet

to Amritsar.

NEW DELHI - Police officers

killed a Sikh militant who hijacked

an Indian Airlines plane Friday by

shooting him after he leaned out

the cabin door and fired a pistol.

into the air, an airline official said.

hne public relations office, said

that all 63 passengers and all but one of the six crew members of the

Boeing 737 were unburt. The plane remained on the ground in Amrit-sar, about 250 miles (400 kilome-

Mr. Gopal said that the incident

ended about seven hours after the

hijacker, who gave his name as Museebad Singh, a member of In-

CONCORD

CENTURION

ONCORD CENTURION

The watch created

ters) northeast of New Delhi.

Arit Gopal, the head of the air-

dia's Sikh religious minority, com-mandeered the plane en route from Bombay to New Delhi, He

Mr. Gopal said that, at one

point, the cockpit crew turned off

the plane's interior lights and air conditioning, and "there was a lot

of commotion. Passeogers

screamed. One air hostess was hurt in the melce. The passengers began

He said that Mr. Singh panicked

and told the cabin crew to open the plane's door. He leaned out,

fired three shots into the air with a

pistol "and shouted at the passen-gers to keep quiet," Mr. Gopal

all of Bombay's 22,000 constables all, 56 policemen had been arrest-

conditions.

The rioting began after the state government banned the Maharashtra Police Employees' Association and arrested 22 of its leaders.

Babasaheb Bhosale, the chief minister of the state of Maharashtra at the condition of the discount of the disc

tra, said a large number of the dissident police constables had returned to work on Thursday. But, he said, they were not allowed to

carry weapons.
He said nine police constables were among 93 persons arrested on suspicion of arson Thursday. In

ed in the rebellion and 113 dis-missed from the force.

On Wednesday, more than 500 vehicles were set ablaze or damaged, commuter trains were stoned and shops were looted as thou-sands of angry constables and sympathizers protested in central Bombay streets.

A smaller number of constables took part in less widespread rioting Thursday. Rail and road traf-fic, which was halted Wednesday, was gradually being restored. But the Bombay Stock Exchange and other husinesses in the city's Cen-tral District remained closed for a

Marcos Foes



Rep. Jack Kemp, left, a New York Republican who led the opposition, congratulates Rep. Robert H. Michel, an Illinois Republican and House minority leader, after the passage of the tax bill.

See Ploy in Talk of Coup repiled by Our Staff From Dispatch

MANILA - Opposition leaders charged Friday that a claim by President Ferdinand E. Marcos that be has crushed a plot to top-ple his regime was a ploy to gain "bargaining leverage" in his talks with President Reagan next

In a nationally televised interview Thursday night, Mr. Marcos said that a threat against his gov-ernment had been foiled and that there was no need to reimpose martial law.

He said that "preemptive ac-tion" thwarted what he described as a nationwide terror campaign by unionists and opposition forces aimed at toppling his government

Recent Revelations

"After the revelations in the last and airplane tickets would account for about 11 perseveral weeks and the preemptive cent. Withholding taxes on interest and dividends action taken by the government," Mr. Marcos said, "I am confident that we have aborted and successbe any, against the stability of the new repoblic."

Stricter enforcement of existing laws, through the hiring of more Internal Revenue Service agents, will bring in 6 pages 1.

cent of the total.

and expire in 1986.

bring in 6 percent, most of it from individuals. The tightening of pension laws would produce 1.8 per-

Most of the changes will take effect Jan. 1. They

Individual deductions: Only medical expenses

that exceed 5 percent (rather than 3 percent) of gross income can be deducted. The deduction of up to

\$150 for half the cost of health insurance, even if no

other medical deductions are claimed, would be elim-

inated. Starting in 1984, all prescription drugs and insulin could be lumped with other expenses in reaching the 5-percent threshold. Over-the-counter drugs could not be deducted.

Generates: The federal tax on cigarettes would be doubled to 16 cents a pack; on Oct. 1, 1985, the tax would drop back to 8 cents.

Telephones: The one-percent tax on phone service would rise to 3 percent for 1983 through 1985

Withholding: Starting July 1, 1983, corporations and most financial institutions would have to with-

hold for tax purposes 10 percent of interest and divi-dends. Accounts earning less than \$150 a year would

Compliance: Tougher penalties and stiffer re-porting requirements on such income as state and

local tax refunds, capital gains and government secu-rities would be required. Most pensions will be sub-ject to withholding. Restaurants with more than 10

employees will have to provide sales figures to help

The remainder will come from businesses

A spokesman for a recently formed coalition of 12 opposition parties said that the group's presi-dent, former Sen. Salvador Laurel, believes that Mr. Marcos' statement Thursday was "a way to gain bargaining leverage for any posi-tion the Philippines is seeking from the Americans."

Former Sen. José Diokno, an outspoken critic of the Philippine president, said Thursday that Mr. Marcos' remarks were intended to put U.S. officials on the defensive.

The disclosure of the alleged plot, Mr. Diokno said, was "partly designed to create the impression that the Philippine government is not getting enough military and economic support from the United States. This puts the Americans on ordered the plane to Lahore, Paki-stan, but officials there did not al-low it to land and the jet went on

Mr. Marcos said in his speech that his trip to the United States was nothing more than a "friendly visit" and that he would not be asking for anything from President Reagan. Mr. Reagan, when he was governor of California, visited Manila in the late 1960s.

Warning Was Dismissed

On Aug. 8, Mr. Marcos announced that the government had uncovered a plot of nationwide bombings, assassinations and strikes to coincide with his first state visit to the United States in At the time, opposition leaders

Airport police hiding under the plane then "came out and opened fire," killing Mr. Singh, Mr. Gopal dismissed the warning as a sign of desperation. But since then, there have been headlines almost daily Officials said the passengers and in the pro-government media about a plot. crew would be returned to New Delhi on a special flight.

Two labor leaders. Felixberto Mr. Singh had made several de-Olalia and Crispin Beltran, have mands after commandeering the been charged with inciting rebelplane, including payment of the equivalent of \$85,000 to be paid in Deutsche marks. He also wanted lion and sedition, and are being held in a military stockade. Several other labor leaders have been ques-Prime Minister Indira Gandhi to tioned and released. "As I see all these happenings of

go to Amritsar for negotiations. His other demands included the the past few weeks," said former installation of a radio transmitter Sen. Lorenzo Tanada, a prominent Manila lawyer who is a Marcos critic, "the real terrorist is the govat the Golden Temple, the holiest Sikh shrine, and the release of various imprisoned Sikh militants, airernment and the terrorized are the people of the Philippines."

Michael M. Harris, 74, Architect, Dies

New York Times Service NEW YORK — Michael M. Harris, 74, a New York architect who was the principal designer of the Time-Life, Exxon, McGraw-Hill and Celanese Buildings in Rockefeller Center, died Monday

line spokesmen said.

in Providence, R.I. He had been associated since 1942 with architectural firms headed by Wallace Harrison and Max Abramovitz. At his death he was a partner in Abramovitz-Harris-Kingsland. In 1969, he was elected a fellow of the American Institute

Mr. Harris was born in Newark and received his Bachelor of Architecture degree from Cornell University in 1930. He worked as a designer in such firms as John Russell Pope, Alfred Easton Poor and Shreve, and Lamb & Harmon before joining Harrison & Abramovitz. He worked on the planning for the UN headquarters and later for the UN Library on 42d Street. His more recent projects included the School of International Affairs building at Columbia University and the UN International School

on the East River.

Major Provisions of the Tax Bill tax on passenger tickets will rise to 8 percent; passengers leaving the country oo international flights would have to pay an extra \$3; a 5-percent tax would WASHINGTON — Individuals are to pay less than 47 percent of the \$98.3-billion tax increase passed Thursday. The largest burden will fall on those who have been avoiding taxes on savings, inbe imposed on air freight; the tax of 4 cents per gallon on gasoline for noncommercial aviation would rise to 12 cents; a 14-cent tax would be imposed on vestments, tips and other oonwage income. Only about 6.5 percent will come from higher indinoncommercial jet fuel.

vidual income taxes. Taxes on cigarettes, telephones Unemployment tax: The employer-paid tax that finances unemployment compensation would be raised by about \$1.20 a month per worker. and stricter reporting requirements on tips, capital gains and investment income would produce 21 per-Unemployment benefits: Additional federal ben-

efits of up to 10 weeks would be available from Sept. 12, 1982, through March 31, 1983. The change would be financed by raising the percentage of unemployment compensation that is subject to federal income tax, retroactive to Jan. 1, 1982.

 Savings bonds: The Treasury Department will be allowed to adjust interest on Series EE and HH bonds to reflect market conditions.

 Medicare benefits: Federal workers will pay 1.3 percent of a hase wage (a top tax of about \$452 next year) into the Social Security system to finance Medi-

come investors will be strengthened to ensure that some taxes are paid no matter how many deductions are claimed. This would cost about 280,000 people an average of \$4,700 apiece over the next three years.

 Pensions: High-earning professionals would lose some of the tax advantage of corporate retirement plans, but the \$15,000 a year that self-employed per-sons may set aside tax-free until retirement would rise to \$30,000 in 1984.

• Leasing: Benefits to businesses under the "safe-harbor leasing" provision enacted last year would be repealed at the end of 1983. The law encourages unprofitable companies to sell their tax benefits to

 Oil taxes: U.S. oil companies would no longer be allowed to use foreign tax credits to avoid U.S. tax

· Corporate taxes: The value of some special deductions, such as the oil depletion allowance, would be reduced by 15 percent. Corporations will have to pay 90 percent of their estimated taxes — up from 80 percent — in quarterly installments. Major expansions of depreciation deductions scheduled in 1985

· Air fare taxes: Effective Sept. 1, the 5-percent and 1986 are repealed. Texas, the Recession and Suicide

Bankrupt and Desperate, Man Kills Wife, Then Himself za raise the rifle. By the time Mr. By Rone Tempest

Los Angeles Times Service BRACKETTVILLE, Texas -They came to Texas, Antonio Garza wrote in his last, hopeless

message to the world, "to work, not to die." Back in Columbus, Ohio, where the Garzas had lived and worked for nearly 30 years, the savings and loan company had foreclosed on their home. They

owed \$17,621 in taxes. Their 4year-old map-making business was bankrupt, leaving them \$278,000 in debt. Then Mr. Garza, 53, and his wife Kay Cecelia, 50, sought a new start. But there was no work in North Carolina, where they

went first. Finally, they returned to Texas, where Mr. Garza had been born. In San Antonio, they stayed with Mr. Garza's only relative there, an uncle, Elisandro Lozano.

'No Soap'

Mr. Lozano lent them a little money to help buy gasoline. "They were after a job desper-ately, day after day," Mr. Lozano said Tuesday. "But it was no soap. They laughed at him day in and day out."

The Garzas soon realized what thousands of others who have preceded them from troubled Northern cities already knew — the recession has come to Texas. Jobs, once so plentiful, are now scarce. Unemployment rates in the big cities of Dallas, Houston and San Antonio are more than 8 percent. State offi-cials and union leaders recently issued warnings to would-be immigrants not to come without a solid job offer.

Last Friday, Tony and Kay Garza left their dog with Mr. Lozano, whom they told they were going to collect food stamps. They drove their 1973 Chevrolet down Roosevelt Street in South San Antonio until it ran out of gasoline.

Someone saw Mr. Garza walk to the trunk of his car and pull out an old Winchester rifle. Morris White, a San Antonio burglary detective, was driving down Roosevelt Street at the same moment and saw Mr. GarWhite was able to swing his car around and return, Mr. Garza had shot his wife and himself in the head. Both died moments

In Mr. Garza's pockets police found 54 cents and a note. 'Reagan Economics'

"I have gone as far as I can with our lives," said the note dated June 28. "My wife, Kay,

and I are hard-working people that have been reduced to beggars almost." "We came to San Antonio to work, not to die," it said. "But Reagan economics has nothing

trickling down to us. I almost cry every time I compare Reagan to Hoover." On Tuesday, after a small ceremony at Mary Magdalen Cath-

olic Church, Antonio and Kay Garza were buried in Brackettville's Catholie cemetery.

 More than 100 persons turned out to pay their respects. Many knew him only as the young man who had joined the Air Force and left Texas to make his fortune in the North.

House and Senate Pass Reagan's Tax Increase

(Continued from Page 1) and get on with the nation's husi-

The House vote came before a packed gallery of spectators and staff, and ended with a spontaneous burst of cheers from legislators who supported the tax package — a coalitioo of Republicans and Democrats. The support of the Republicans, 103 in favor against 89

opposed, was probably decisive. The two-hour dehate in the Senate covered most of the same issues addressed in the House diseussion. Legislators debated whether the tax package would lower interest rates and help the economy, help or hurt the poor, and whether it would cut spending enough. Also discussed was whether it was a reversal of Mr. Reagan's economic program.

Burden on Business

Sen. Bob Dole, Republican of Kansas, who as chairman of the Senate Finance Committee was primary architect of the hill, presented it to the Senate by saying, "Call it a tax increase, call it a tax reform bill, call it anything you want, but vote for it because it is good policy."

The bill is a reversal of key por-tions of last year's tax act, which sharply reduced the tax burden on husiness. More than two-thirds of the revenue raised by this bill in the next three years will come from husiness. In fact, the hill incorporates many goals sought for years by the Democrats, incloding restrictions on tax breaks to corpora-

The bill will raise about \$50 billion in business taxes, \$21 billioo in measures aimed at better com-pliance with the tax law and \$18 billion in higher taxes on individu-

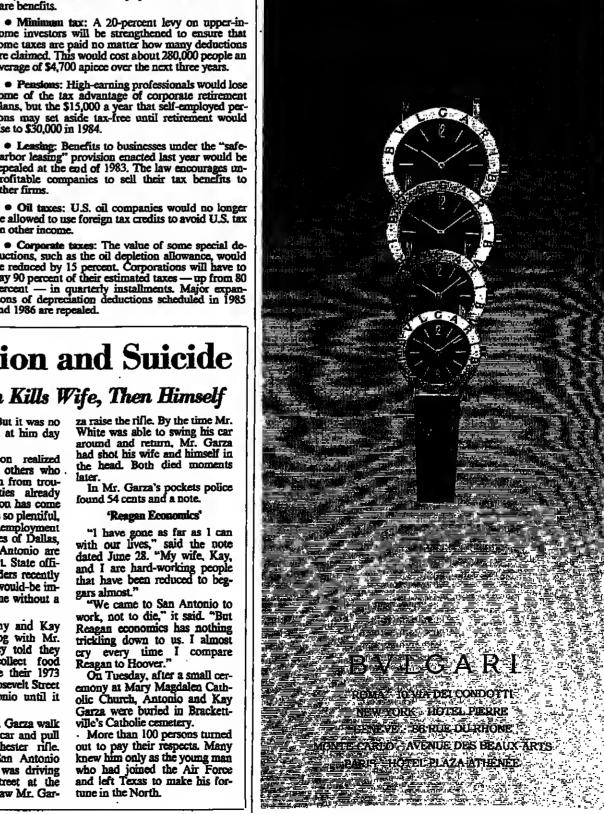
The measure would raise tax revenues by \$18 billion in fiscal 1983, \$38 billion in fiscal 1984 and \$43 billion in fiscal 1985. Liberal Votes

It would also cut federal spend-1983, \$5.9 billion in fiscal 1984 and \$7.9 billion in 1985, mainly through savings in Medicare, Medicaid, Aid to Families with Dependent Children and other social

support programs. At the same time, the hill pro-vides for the extension of unemployment benefits by up to 10







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Who Caused the Deficit?

From THE WASHINGTON POST

Both the administration and Congress would have you believe that the only reason they have not put the federal books in apple pic order is that they have inherited an uncontrollable burden from their feckless predecessors. There was much discussion of the deficit Thursday, as the tax bill was making its way noisily through Congress. No doubt, federal spending bas acquired a considerable built-in momentum. But it is interesting to note that most of the federal deficit projected for next year arises from decisions made by this Congress under the leadership of this administration.

The administration now formally admits to a deficit next year of \$115 billion — but almost any administration official will tell you that something in the range of \$140 billion is much more likely. Those numbers assume that the president gets pretty much what he is seeking in terms of spending and taxes. How did the deficit get so big?

One large contributing factor was, of course, the massive tax cut that the administration fought for so hard last year. The Treasury estimates that without the tax cut, next year's revenues would be about \$90 billion higher. Another big contributor to the deficit is the massive defense buildup. The administration wants to increase next year's military spending by \$33 billion, roughly \$20 billion more than would be needed to keep pace with inflation.

Then there are the other spending increases that the administration is seeking. Not all do-mestic programs are to be cut. Many favored activities - such as Western water projects - are scheduled for substantial increases. Perhaps these are useful activities, but Congress does not have to expand them.

There is also the matter of the economy. If the roseate economic projections upon which the administration sold its economic program to Congress a year ago had come true, next year's budget deficit would have been more than \$100 billion smaller. That was never a serious possibility, but many economists would argue that a more sensible mix of fiscal and monetary policy could have avoided the very serious downturn that the economy

is now going through.

This is not to say that all would have been well if Congress had just left federal taxes and spending alone. Many federal activities had increased mindlessly, and Congress still has to come to grips with the future implications of some of the entitlements it has created in past years. But it is important for both the administration and Congress to remember that, to a great extent, the financial dilemma they face is of their own making and it is up to them to keep working on it.

View From Wall Street

From THE WASHINGTON POST

Short-term interest rates began to fall right after the Fourth of July weekend, and since then they have dropped more than three percentage points. Later in July, the Federal Re-serve Board assured Congress that it will al-low the money supply to rise to the top of its target range. The implication is that interest rates can fall farther, perhaps quite a long way, without running into restraint by the Federal Reserve. The financial markets are now reacting to that prospect.

But it is important to remember that there is another, and less happy, side to this sudden change of the collective mind in Wall Street. Until this month, most people in the financial world had taken it for granted that, during the autumn, the American economy would begin to recover from the recession. That would mean more borrowing — and soon the expansion of credit would collide with the tight limits that the Federal Reserve has set. The result would be, once again, rising interest rates. That is wby the markets did not react immediately to the decline in rates in July and earlier this month. The experts considered it a mere blip that, within a mat-ter of a few months, would be reversed.

What has changed? Within the past couple of weeks, the consensus has shifted among the economists who advise the investment houses and banks. They no longer believe that there will be any significant recovery be-

fore the end of the year. In particular, they notice that the July cut in income taxes does not seem to be having any visible effect on business. A statement to that effect by the most prominent of those economists, Henry Kaufman of Salomon Brothers, set off a torrent of trading Tuesday. If there is no real business recovery in the months ahead, there will be no collision with the Federal Re-

That is terribly good news, if your business is burdened with debt and interest payments. But it is not terribly good if you are trying to build up a new business—or you are looking for a job. That is not everybody's idea of unqualified optimism.

serve's limits, and interest rates will stay low,

The basic inconsistency in the country's economic policy has not been resolved. It still lies there, ready to choke off any steady expansion of sales and jobs that might get started. It is the inconsistency between a budget policy that uses hig deficits to push for high growth, and a monetary policy that pushes for lower inflation. Whenever a wave of growth begins, the two policies collide, and the result is another terrific surge in interest rates. That will not happen for some time in the future, most of the specialists now believe. But the only reason is that the prospect for any real economic growth now appears to be more remote than, until very recently, they had been expecting.

Other Editorial Opinion

Hong Kong's Future

Hitherto the Chinese have not made any sais about Hon Kong's future. Until early this year the Chinese government seemed to think it was enough to give private assurances to Chinese businessmen in Hong Kong that they should not let the 1997 (leaseexpiration] date disturb their investment plans, since China paid no attention to it, and to point to official Chinese investment

in Hong Kong.

Meetings have been held with businessmen from Hong Kong and with mainland repre-sentatives based in Hong Kong, such as the Bank of China and the New China News Agency. Hints have been dropped about the special autonomous regions for which there is now provision in the Chinese constitution. Such was the future offered to Taiwan and China seems to be thinking along the same

lines for Hong Kong.

But hints will soon be not enough, nor will professions by both sides of converging interests. If Hong Kong's confidence is not to falter, with results that could be very painful for its people as well as its investors, practical steps towards a transition must now be considered. Mrs. Thatcher and Mr. Deng [Xiaoping] will have the opportunity to make a start [during her visit to China next month]. - The Times (London).

What Next for PLO?

The PLO is aware now, if it was not before, of its deep unpopularity in the Arab world.

In one sense it has been betrayed, because all the steadfast phraseology of previous years has evaporated when it faced its military defeat. But in another sense the PLO has done the betraying: It has refused to adopt a constructive and workable policy towards Israel and towards the restoration of an Arab homeland on the West Bank and has led

its Arab supporters up a long diplomatic blind alley in which they now have little room

The PLO can use its diaspora either to dream dreams of Israel's destruction, punctuated nace again by acts of terrorism, or to assimilate the facts of 35 years ago, bowever unjust they may seem, and promote a policy of Arab-Israeli coexistence.

Before the latter process can begin the PLO has to sort out its own internal organization and decide which of its constituent parts accept a realistic program and which no longer belong within its fold.

- The Guardian (London).

Mexico's Plight

Mexico's plight is a death blow to any remaining ideas that the recycling of the oil surpluses achieved by the banking system was an unsullied act of economic virtue.

Indiscriminate bank lending short-circuit-

ed more appropriate flows of finance --whether official, or via the issue of securities or through direct investment - and suspended reality both for oil suppliers and for oil buyers. Mexico was a prime example of the illusion that this fostered. The transient magie of oil was such that both banks and borrower were still arranging loans when 49 percent of its \$60 billion bank debt was repayeble within one year.

The central banks now bave the delicate task of bringing the deluded international banking system gently back down to earth. They must preserve confidence in the system without creating the impression that official bailouts are a foregone conclusion: the re-emergence of fear, of sense of risk of a feeling that governments cannot always provide is a prime reason why interest rates may now be

declining to bearable levels. - The Financial Times (London).

AUG. 21: FROM OUR PAGES 75 AND 50 YEARS AGO

1907: Roosevelt's Pledge

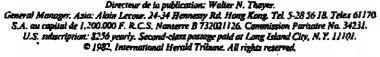
PARIS - Today's editorial in the Herald reads: "In his speech at Provincetown, Mass., while laying the cornerstone of a monument commemorating the landing of the Pilgrims, President Roosevelt said he had received many requests to do or say something to ease the present worldwide financial disturbance. He declared this to be wholly unconnected with any governmental action, and intimated that certain malefactors of great wealth had combined to bring about this financial stress in order to discredit the policy of the government. He then reasserted his determination to prosecute violators of the law and averred that there would be no change in the policy

1932: FDR Opens Campaign

COLUMBUS, Ohio - Picturing the administration as encouraging speculation and then misleading the public as to the gravity of the 1929 market crash, Gov. Franklin D. Roosevelt of New York opened the Democratic sidential campaign with an attack on the Republican Party. Ignoring prohibition, war debts and other problems, the nominee at-tempted to show that the depression was a particular child of the Republicans. He charged that, by encouraging speculation, they had permitted a few interests to "make industrial cannon fodder of the lives of half of the population of the United States" and accused the president of placing the blame for the depression at Europe's door.

TOHN HAY WHITINEY (1904-1982), Chairman KATHARINE GRAHAM and ARTHUR OCHS SULZBERGER, Co-Chairmen LEE W. HUFRNER, Publishe Executive Editor PHILLIP M. FOISIE ROLAND PINSON Associate Publisher Director of Finance RENE BONDY FRANÇOIS OESMAISONS ROBERT K. McCABE RICHARD H. MORGAN

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On the Sharpening U.S. View of Israeli Policy

WASHINGTON — The polls say Israel is paying a significant price in American public favor for its invasion of Lebanon. Some American Jewish leaders anguish out loud about the Begin government's policies. There are rumblings of discontent in Congress. Is this the start of a fundamental change in the tradi-tional, extra-special U.S.-Israeli relationship?

No - or, at least, not yet. Much will depend on how Israel now reassesses its security requirements. With its northern border presumably secure and a peace treaty with its most important adversary, Egypt, to the south, the question is what effect this will now have on Israel's approach to the West Bank and Gaza, to the central Palestinian problem and the larg-

er middle East peace process.

That is the point: What is happening is not so much a shift in sentiment, from support for Israel to opposition, as it is a shift in the burden of proof - a shift, even among Israel's most reliable backers, from unquestioning support to sharp questioning. By way of example, I offer in evidence a long letter to House Speaker Tip O'Neill from Congressman David Bonior, a young (37) liberal Democrat from Michigan's 12th district, reporting on his recent tour of Syria, Lebanon, Jordan, Egypt and Saudi Araa. as well as Israel.

His report to the speaker is his personal view.

By Philip Geyelin

But it is the view of a self-styled "staunch sup-porter" who voted unfailingly for military and economic aid to Israel and publicly opposed arms aid to its neighbors, including the AWACs sale to Saudi Arabia. His trip, Bonior wrote to O'Neill, has "opened my eyes to another perspective.

To begin with, he was "somewhat startled by the intransigence of the current Israeli leadership," and particularly by the insistence of Prime Minister Begin, Defense Minister Sharon, and Foreign Minister Sharoir that "Israel could eliminate the PLO as a political force in the Middle East." Bonior does not buy the implication that "by eliminating the PLO, the political problem will disappear," and he offered, by way of contradiction, an anecdote:

He was surveying the rubble in West Beirut when an antomobile drew up, carrying a Palestinian family. The father got out of the car and Bonior asked him if he lived in the neighborhood. The father pointed to a razed building and said that his son had been killed the day before and lay buried in the broken concrete. Another son, 13 years old, was in the back scat of the car. When he learned that Bonior was an American, he flew into an almost uncontrollable rage. "[He] clearly identified the

blame for his brother's death and for the bombing and destruction of West Bearut with the United States." Bonior recounted.

From this and other evidence, Bonior concludes that the "Begin-Sharon policies are radicalizing a whole new generation of Palestinian people. Far from eliminating the PLO and the Palestinian problem, they are enhancing it and creating additional recruits."

Bonior came away convinced that the Israelis did indeed use American military equipment in violation of the U.S. Arms Control Export Act and he was not much impressed by Sharon's response to that suggestion: "His reply was in essence that there are many agreements with many countries and, during times of war, agreements can be broken."

Sharon's cavalier attitude, Bonior believes. raises a serious question about the all-important element of trust between the United States and Israel. Israel's performance in Lebanon disturbs Bonior on other grounds. He sees it not as Intro solution of the state of

He was also impressed by what he was told

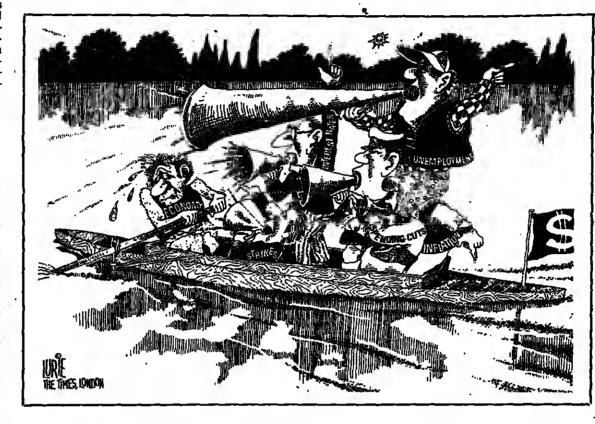
by his Arab hosts: The tight U.S.-Israeli military connection has upset any "semblance of balance" in U.S.-Mideast policy and threatens to damage American relations with Egypt, Sau-di Arabia and other "moderates." He said "several Arab leaders warned of the possibility of. Soviet manipulation of the U.S. position.

Finally, Bonior (a Vietnam veteran) noted a "growing backlash" within Israel itself against the Begin-Sharon policies, not unlike the internal divisions in the United States over Victnam. He cited violations of the rights of Palestinians on the West Bank and in Gaza ("the confiscation of property, imprisonment without charge, and lack of due process of law") and deploted the Begin government's consistent refusal

to "make accommodation with moderate ele-ments on the West Bank." Bonior's biggest worry is that the Begin goverament is squandering Israel's most important political asset: its "moral edge in the ongoing

struggle with Arab states." "In conclusion, I would like to stress that I am still a strong supporter of the state of Isra-el." Bonior told the speaker. But almost every other sentence in his four-page letter raised questions about how long Israel can afford. to gamble on the goodwill and strong support of a David Bonior.

The Washington Post.



U.S. Buildup Endangers Economy

By Stanley Karnow

WASHINGTON — Empires from Rome to Britain bave declined and fallen as a result of internal erosion rather than external attack. The

historical lesson is worth pondering. For the Reagan administration is currently committing the United States to whopping defense expenditures designed to meet a Soviet chal-lenge. But the buge outlays on mis-siles, bombers, aircraft carriers and other hardware threaten to weaken rather than strengthen the United States over time.

So, it seems to me. Americans are being fulled into a false sense of security if they are led to believe that a bigger and better nuclear arsenal represents real protection.

This is not to argue that the country ought to disarm. Weapons are vital, especially as a form of political leverage. The major question, bowever, is how much of a military estab- pathizers on Wall Street. lishment can be built up within the

context of U.S. economic capacities, The evidence suggests that there are limits. But Reagan and his advisers, who eppear to be deluded by the nostalgic dream of regaining for the United States the global power that it never actually had, bave chosen to

The danger, therefore, is that they could be driving America headlong into bankruptcy in the misguided conviction that they are restoring its past greamess.

ignore reality.

It goes without saying that gross domestic product. Reagan's defense policy is meeting with criticism from what his spokesman would call "woolly-minded" liberals and assorted peaceniks. But I find it significant that alarm signals are being sounded by Reagan sym-

These rock-ribbed conservatives

Solidarity 'Embassy' Sends Message to West

By Leopold Unger

BRUSSELS — Solidarity has set up an "embassy" in the West. and now Poland bas two delegations

One delegation, the official embassy, comes with diplomats, offices, secretaries, limousines and all the appropriate perquisites. The other, the one that represents the real Poland, has no luxurious residence, nn secretaries and nn limousines. It operates with a few members of Solidarity. aided by a handful of volunteers.

The Solidarity "embassy" was set up after a recent decision of the TKK. the Provisional Coordination Committee, made up of five leaders of the independent union who managed to escape the dragnet on the day of the Polish military coup last Dec. 13. The TKK, now the head of the clandestine union in Poland, decided thet an office should be upened in the West and that Jerzy Milewski should

Mr. Milewski, a physicist, is nne of the top Soldarity leaders who was outside of Poland on Dec. 13. Mr. Milewski's mission in Brussels

to keep the union bureau open until the Poland is free again. And the bureau's mission is to keep the West informed on what is going on in Po-land and what Solidarity is doing about it. At the same time, it will keep Solidarity informed no the interest the union evokes in the West and the support that it receives from noninist workers.

The bureau will complete the work already accomplished by the Solidarity committees in various Western countries, particularly the one in Paris, which collects all information and printed matter concerning the nowclandestine union.

The Solidarity "embassy" opened as Poland continues in give evidence that it bas not forgotten its own history, particularly Aug. 31, 1980, the day on which for the first time a Communist government was forced by a labor movement to allow the creation of an independent union in a Soviet

And now, just as it has done in the past, the Communist government has plamed recent street demonstrations in Polish cities on "extremists." Yet in Mr. Milewski's view, the thousands of demonstrators were giving a vote of confidence to Solidarity.

However, contrary to reports com-ing from Poland, Solidarity has not called for demonstrations at any fixed time and place. According to Mr. Milewski, the TKK prefers cau-tion to audacity and efficiency to chance. It will not announce demonstrations in advance, preferring to keep its supporters in a state of per-

manent readiness so that marches can

be called in 15 minutes. Yet, more important than street demonstrations. Solidarity's ambas-sador to the West says, was the meet-ing organized by the TKK that ended July 28 with the announcement of a national organizing program, despite the restrictions of martial law. This program is all the more important because the military government, which has been rejected by the population, has totally failed in its economic

A military dictatorship offers nn solution to the problems of a Socialist state. In fact, it aggravates the incom-patability of the Communist system and economic development.

The West must understand this lesson from Pnland, Mr. Milewski insists. A successful military dictator-ship — such as that of Franco, for example, which allowed Spain to grow economically while keeping it in the dark ages pulitically -- must create a system of authentic material stimuli, permit economic management to operate without an ideological straitjacket and without the constant threat of repression.

According to Mr. Milewski, "those in the West who had been hoping for some sort of military peace that would be a tragedy for Poland, but that would make it possible to maintain the so-called climate of detente by not creating a tense etmosphere in Eastern Europe, and above all, that would allow it to begin paying its international debt, those people must understand that the opposite is true."

In an effort to reduce the changes of trouble, authorities have decided, according to recent reports, to put workers at plants in Gdansk nn vacation until the beginning of next month. That may work for a while, but Warsaw will soon understand that it cannot put an entire country on vacation for an unlimited period. International Herald Tribune.

are not ideologues. They are dollarsand-cents pragmatists who focus on the "bottom line." And, looking at the numbers these days, they are wor-ried. Consider, for example, the observations of Barton M. Biggs, managing director of Morgan Stanley, one of New York's prestigious investment firms.

Biggs notes in the latest issue of hisreekly analysis of economic trends. defense expenditures of the United States are scheduled to soar from \$158 billion in 1981 to \$355 billion in 1986 - or from less than 6 percent to nearly 10 percent of the

The simple fact is that the United States can barely afford to spend such a high percentage of its output on defense," he concludes, and he goes on to explain why.

For one thing, he says, the "im-mense burden" of military spending is saddling the budget with increasingly larger deficits, which mean con-tinuing high interest rates to the detriment of business activity.

By squandering American re-sources nn guns, the administration is also sacrificing a number of valid social programs as well the research and development that is crucial to technoogical innovation. Biggs warns, moreover, that the

concentration on defense could backfire against Reagan politically. He bas little regard for the "naive" antinuclear movements sweening the country, but he concedes that they are potent because, as he puts it: The political arithmetic of reduc-

ing Social Security benefits and other social programs and at the same time raising defense spending is very Biggs further underlines the extent to which the gigantic military budget is placing the United States at a dis-

advantage in its efforts to compete with the other industrial democracies. notably Japan and West Germany. While America allocates 6 percent of its gross domestic product to de-

fense, Japan spends less than I percent and West Germany about 3 per-cent. The United States devotes 35 percent of its research to defense, compared to Japan's 4 percent and West Germany's 7 percent. As a consequence, Americans are

bearing a disproportionate share of the responsibility for the security of their allies. Thus, Biggs forecasts, "in 20 years we will have impoverished ourselves" as the Japanese and Germans emerge as the new superpowers.

The Soviets, ironically, are matching the U.S. experience — and they

are having an even harder time of it.

They spend 12 percent of their gross domestic product on weapons, assigning their best people to the mil-itary buildup. But because they lack America's efficiency and industrial base, the Soviet Union is crumbling under the load.

The Reagan strategy is to sustain the arms race in the hope that it will eventually strain the Soviets to the breaking point. The touble with that approach, though, is that the U.S. economy may also crack up in the process.

in my estimation, then, the only logical answer is a genuine and dynamic attempt to achieve an arms control agreement with the Soviets not simply to avert nuclear war, but to prevent economic disaster. As a bard-line right-winger.

Reagan could work out a compro-mise with the Kremlin with a minimum of domestic flak, just as Richard Nixon was able to break through to China. Such an accomplishment would vastly contribute to America's prosperity - and to its real security. Tribune and Register Syndicate.

The Politics of Using Term 'Anti-Semitism'

By Flora Lewis

PARIS — It is a painful necessity to note that anti-Semitism is a topical international issue again, only 37 years after stunned Allied forces came upon death camps in Germany and bberated the piteous survivors.

In the wake of a series of bombs and terrorist attacks, the question has come to the forefront in France. Prime Minister Menachem Begin has launched his own counterattacks on France, but there is nothing specially Gallic about the phenomenon. In May, before the invasion of Lebanon, The Times of London published an astonishing report on a long series of current anti-Semitic incidents in Los Angeles.

The war in Lebanon and the emotional intensity of both supporters and critics of Israel have aggravated the issue and given it a new twist.

Israel's foreign minister. Yitzhak Shamir, has put bluntly and openly what Begin and his admirers suggest. "Anti-Semitism and anti-Zionism are the same thing," he told demonstra-tors in Jerusalem last week.

Denouncing what he called "delib-erate French hostility" in voting for sanctions against Israel at the United Nations, Begin said that "anti-Semitism and its consequences are no longer an internal affair (of other countries) as far as we are concerned, and we assert the right to intervene to protect Jews wherever they are."

This is a dangerous doctrine. As France's former Prime Minister France's former Prime Minister
Pierre Mendès-France, a widely respected Jew, has pointed out, "By settlement policies.
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The paradoxical collusion of the airline employboth sides have found it in their intersection.

The paradoxical collusion of the airline employboth sides have found it in their intersection.

The paradoxical collusion of the airline employboth sides have found it in the airline employboth sides have does not mince words. He called Begin "a mad fanatic," and said: "He is irresponsible. I consider what he is doing a tragedy for everybody, for his

own people and for peace."

It is indeed ironic that the leader of the Jewish state, whose founders reoiced not only in providing a bomeland for the Jews but in making a normal country, should now claim something like the pope's universal status to represent his religion.

Criticism of the Israeli government equated with anti-Zionism, which equated with anti-Semitism in this distorted optic. The Israeli opposition leader, Shimon Peres, says correctly that some anti-Semites use anti-Zionism as a camouflage for their views. But he does not accept the equation and he does, like many other Israelis,

criticize the government.

Arab leaders, and the PLO in particular, have contributed to the confusion with their claim that they are not anti-Jewish, just anti-Zionist,

while Arab terrorists kill less willy-nilly in Europe and in Israel. Their insistence on getting UN resolutions to declare that "Zionism is racism"

reinforces Shamir's contention.

The purposes of both sides extremists are parallel for the one group, to rally unconditional impressioning support for Israel whatever it does; and for the other, to rally unconditional impressioning support for Israel whatever it does; and for the other, to rally unconditional conditional, unquestioning opposi-tion not only to Israel but to all who sympathize and seek its arrival. They help each other sustain their positions at the expense of peace

and many lives.

Sometimes the loaded thetoric reaches the point of plain silliness. That happened in the Knesset the other day. The debate was about a iaw to impose the demand of the Orthodox Agudat Israel Party banning. El Al operations on the Sabbath. Angry workers of the Israeli airline

have protested that shutting down on Saturdays will add \$30 million a year to its deficit, cost the Israeli tourist industry \$150 million and lead to loss jobs.
Their arguments were getting nowhere. The small Orthodox party

is vital to Begin's parliamentary ma-jority and he promised it the law when it joined his coalition. The airline is crucial to Israel's security, providing backup cargo and transport capacity for the air force.

But even the hard-nosed defense minister, Ariel Sharon, does not support its workers. He needs the backing of Agudat Israel. When the incident was

discussed in parliament, Dr. Yehuda Ben-Meir, deputy minister for foreign affairs, called the workers action "anti-Semitic" and said, "If this would happen in France, the whole Knesset would rise in protest."

It would be hard to satirize the reckless use of a serious charge more pointedly.
Responsible leaders, Jews and non-

Jewa alike, must make it clear once again that bigotry is bigotry, Israel is a country, and bluring the distinction is pure demagoguery. Both decency and democracy are under-mined by letting it go unchallenged. Anti-Semitism is a disease to be

eradicated and one would have thought that the Holocaust was vaccine enough. Unfortunately, unlike smallpox, no one knows its real cause. But it is clear that to combat it. it must be isolated, not spread by self-serving politics. The New York Times

LETTERS TO THE EDITOR

Nuclear Freeze

While termed a victory by the Reagan administration, the House rejection of the bilateral nuclear freeze proposal was put into proper perspec-tive by Rep. Edward Markey, "It was a defeat for the American people." The alternative "freeze" proposal

offered by the Reagan team is a fraud that has nothing to do with stopping the arms race. Rather, it is a sinister endorsement of Reagan's massive \$180-billion nuclear weapons program that includes deployment of the MX, Trident-2, Pershing-2 and Croise missiles, along with produc-tion of the B-I bomber, the neutron bomb, and 15,000 hydrogen warheads, the latter to be added to the

26,000 nuclear bombs we already This Reagan/military-industrial complex escalation program is the most dangerous and irresponsible to date. It includes weapons of potential first-strike capability, and others de-signed for waging "limited" nuclear

DOUGLAS MATTERN.

Economic Incompetence

Regarding "David Stockman's Bud-get Defense" (IHT, Aug. 11):In David Stockman's defense of the Budget Amendment, certain distressing features of the way the Reagan administration operates become clear.

1. Muddled thinking. The issue of government spending as a percentage of GNP on the one hand, and deficit spending on the other, two quite dis-tinct items, are hopelessly confused in Stockman's analysis. He himself notes that the entitlement programs "exploded," as he so impartially puts it, in the mid-'60s, yet the budget was

balanced in 1969. 2. Superficial reasoning. The only reasons Stockman gives that responsi-ble fiscal decision-making won't solve the problem are "the trends of the last decade" and "attitudes in the present Congress."

-3. Fast and loose talk. When Stockman says "the Reagan administration has had considerable success in slowing the growth of spending," I don't know whether to laugh or cry. The Reagan administration has made the problem of deficit spending worse

than it has ever been in history. What is becoming clear is that one real problem with the American economy (and, for that matter, the swkward, counterproductive name of many American foreign policy initiatives) is the simple-mindedness and just plain incompetence of the managers. It's time to get ready, to throw the burns out.
MICHAPL FLYNN.

- Amsterdam 'Callons Insanity'

Regarding Wanning Protracted Nuclear War (IHT, Aug. 16). Frankly none of these words individually makes any sense to me, and placed all at once together they draw tears. Initiages of these self-important men making plant and adding figures. Do they no longer see the deaths and destruction in those namels of And instruction in those namels of And instruction in those namels of And instruction. struction in those numbers? And just what do they so need to win? A serise of pride with no place left to put il?
What callous insanity. My head aches from daily headlines: war costs: war

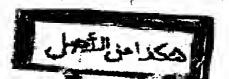
modern man puts into mass murder.

And meanwhile people in small print are only suffering. What happened to the child in each. of us that would step forth and de-clare simply: the king is node, let's

plans, war threats; all the energy

stop this madness. Carol Keeley

Letters intended for publication stoute be enteressed to the editor-and contain the writer's nigrature, name and address. Brief letters receive priority, and letters may be abridged. We cannot acknowledge, all tetters, but we volve the views of the reader who submit they?



BUSINESS/FINANCE

ECONOMIC SCENE

By LEONARD SILK

Could Wall Street Be Right? A Recovery May Be at Hand

TEW YORK — Wall Street's explosion this week has raised hopes that, if stocks are rising, the resurgence of the economy cannot lag

But there is wild irony in the picture: The forecasts of lower interest rates that triggered the stock marker's upsurge were based on gloomy analyses of the overall business outlook.

For example, Henry Kaufman of Salomon Brothers said the economy

was "straitjacketed by financial blockages and fear of international com-petition." Albert M. Wojnilower of First Boston Corp. said "the business outlook has deteriorated" — capital spending plans have been slashed again, consumption has fallen and inventories have resumed piling up, both at wholesale and retail. The July 1 tax cut, he said, was more like a

both at wholesale and retail. The July I tax cut, he said, was more like a life preserver thrown to a struggling swimmer than extra stimulus to an economy already at the point of lift-off.

Yet Wall Street cheered wildly, focusing only on the prediction of declining interest rates. Treasury

Scoretary Donald T. Regan, a Wall

Streeter transported to Washington, was exuberant, too: He refused to look a gift horse in the mouth. A rally is a rally and an enormous rally is an enormous rally. He expressed his appreciation to Mr. Kaufman for his help but

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economy will survive past mistakes, now that they are being repaired.

said he was right for the wrong reason. The real cause for Wall Street's upsurge was its recognition that the Reagan administration has restored stability to the economy, Mr. Regan contended.

Later in the week, waking up after its two-day binge, Wall Street seemed less sine, wondering whether it had not overdone things. The gloomy economic forecasts — and the current reality of weak business and income declining profits and high unemployment — were still staring conditions, declining profits and high unemployment - were still staring

It was not, after all, just Mr. Kaufman and Mr. Wojnilower who had turned sour on the recovery just before the stock market exploded, but the vast majority of other economists as well. Robert J. Eggert, president and chief economist of Eggert Economic Enterprises, reported on Aug. 10 that the earlier, modestly exuberant outlook for the "after-the-tax-cut" third quarter had faded among the 44 economists polled for his Blue Chip composite forecast. They expected interest rates to continue to decline. (It is curious how Wall Street tends to disparage the consensus of economists while preferring to follow one beliwether sheep, a role in which Mr. Kaufman has been cast?) questioning israel but to dis seek its area role in which Mr. Kaufman has been cast.)

Greenspan's Gloom

Alan Greenspan, president of Townsend-Greenspan and a frequent White House adviser, had just declared, on Ang. 13, "The recovery is still not here," noting that the outlook for 1982-83 "has communed to deteriorate since our last forecast." Builders, he said, were holding out little hope for any significant near-term recovery; business orders for capital equipment were falling; consumer confidence was low and bankruptcies, already at a post-Depression record, were becoming "a problem rather than just a risk in the outlook."

Albert H. Cox Jr., the president of Merrill Lynch Economics Inc., a subsidiary of Treasury Secretary Regan's old firm, had just warned that the Reagan administration and Reaganomics might be headed for a major setback in the November elections because "too little has been accomplished thus far, and strategic errors have been made."

Hope springs on a moment's notice in Wall Street; but there is good

reason to wonder whether the resurgence of the stock market earlier this week (even if it was overdone) does not mark an important turning point in the course of the economy. There has been a drawing back from the brink just before the economy crashed over it. And belief is rising that the economy will survive the mistakes of the past, now that they are

Lower interest rates, brought on not just by weak loan demand but by significant changes in the administration's fiscal policy and the Federal Reserve's monetary policy, should provide major support for economic

A Psychological Lift

The decline in interest rates should help lift housing out of its deep slump. The strengthening bond market should help arrest the fall in business investment in plant and equipment, although, given the heavy hangover of excess capacity, it will take months before capital spending recovers. High unemployment will still be a drag on consumer spending, but gains in take-home pay from the net tax cut (even if the tax-increase bill before Congress passes), higher Social Security benefits and, most important, a gradual rise in output and income as inventory cutting fades will put more money into consumers' pockets and increase their

outlays.

Strengthening financial markets are likely to give a psychological lift not only to Wall Street and Washington but to many consumers and

businesses around the country.

All the economy's woes have not vanished overnight. The international financial picture, with Mexico now rising to the top of the worry list, remains especially serious.

But Wall Street's burst of action this week suggests that the ocw Great Crash is not at hand. And if Congress supports the White House move to produce a more prudent fiscal policy and the Fed continues to work for lower interest rates, the recovery may soon get under way.

AEG to Close Factory At Cost of 2,000 Jobs

part of its bid to avert bankruptcy. announced plans Friday to close its Berlin engine factory, putting at least 2,000 people out of work.

A company spokesman con-firmed that the Brunnenstrasse factory in West Berlin that makes machines and industrial engines would close, costing about 2,000 of the 10,900 AEG Berlin employees

their jobs.

A union official said more than 3,000 jobs would be affected. AEG said engine production would be shifted to other AEG STEP TO SERVE factories in West Germany and to partners abroad.

The closure is part of a radical company restructuring effort to prime the 120,000 AEG workers by as much as half and reduce loss-

making operations. The company, West Germany's second largest electrical concern, filed last week for court settlement

of 40 percent of its debts, estimated at nearly 5 billion Dentsche Marks (\$2.04 billion). The company was given a tem-porary breathing space Wednesday when bankers decided to make 700 million DM available immediately

to cover current running costs.

COMPANY REPORTS

Revenue and profits, in millions, are in local

Schneider Year United States

.. 37,300. 128.8 International Harvester 1982 1,370

United Press International The bankers said they would BERLIN — AEG-Telefunken, as free a further 400 million DM if the government agreed to match their offer with a guarantee of 1.1

billion DM.

AEG's foreign banks, thought to bold some \$1.7 billion in loans to the company's foreign subsidiaries, met this week to consider their response to the crisis and signs appeared favorable.

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Frankfurt

App-Chs Index : IS-IN

loan losses at U.S. banks in recent months have diminished faith in traditional haven of gold.

Another factor supporting gold, Mr. Reinert said, has been a rush by professionals to cover short positions, taken in the expectation that prices would fall. "Most of the major commission houses were short," he said. At the same time, he added, jewelers, coin makers and other gold fabricators are building up their stocks of gold.

Lower interest rates, too, have given gold a boost, analysts said, although some said the effect has been minor. The Bache analysts said the cost of financing gold

Kaufman: Calling the Tune Or Just Following the Trend?

By Robert A. Bennett

New York Times Service
NEW YORK — When Henry Kaufman talks, the financial markets move. That, at

east, is how it has been. Take Tuesday. With a dramatic reversal of

his farlier predictions that interest rates would rise to new peaks, Mr. Kaulman sparked tu-mult in the stock and bond markets. But some economists are predicting that the latest Kanfman rally may be his last, and that the image of the Salomon Brothers chief econ-omist may have faded as the result of his newly

found relative optimism.
His critics contended that Mr. Kaufman's prediction on Tuesday that interest rates would decline was not really a prediction at all but merely a statement of what had already

In the meantime, many of those who had taken his advice had lost out on substantial profit opportunities, they said.

Alan P. Murray, a senior economist at Citibank, said, "It wasn't really a forecast, it was a

comment on what had happened. Richard B. Hoey, chief economist of Bache Halsey Stuart & Co., a rival of Salomon Brothers, said, "I think it must take away from his credibility."

In contrast to Salomon, Bache has been advising its clients to buy bonds for the last 10½ months, Mr. Hoey said.

Interview Declined

Those who followed Mr. Hoey's counsel in October, 1981, rather than Mr. Kaufman's, have experienced a 27 percent increase in the price of their bonds, while at the same time earning interest rates of 15.2 percent, Mr.

Mr. Kaufman declined requests for an interview this week, but the German-born economist has many supporters who volunteered to

Jay N. Woodworth, vice president and econ-omist of Bankers Trust, said, "Over the longer run, Henry Kaufman has done a Nobel Prize-

winning-type job in catching some of the long-term trends."

At Morgan Guaranty, Stuart A. Schweitzer, vice president and economist, said, "His views are important both because be is so knowledgeable and because he's followed by so many people."

Mr. Kaufman is described by those who know him as supremely confident, perhaps as the result of his self-made success.

He was brought to the United States in 1937 by his family, fleeing growing anti-Seminism.

He earned a bachelor's degree in economics from New York University and a master's

He got a job as a credit analyst at the Peo-ple's Industrial Bank in 1949, while attending night classes to obtain a doctorate in finance. He spends his weekends writing his speeches

The thrust of Mr. Kaufman's outlook rests on the fact that the government has been spending more than it takes in; which means it must borrow heavily in the private markets to

make up the gap.
This, according to Mr. Kaufman and his supporters, increases demand for credit. And since credit is a commodity, whose price is expressed in interest rates, an increase in de-mand, or expectations of an increase in demand, also push up the price — interest rates.

The high budget deficits of the Carter and Reagan administrations led him to predict

higher and higher interest rates.

In December, 1980, for example, when the prime rate reached 21½ percent, Mr. Kaufman predicted that prime would go "higher before

s going to go lower." But the prime never reached that level again, and currently stands at 14 percent.

Mr. Hoey said, "The reason Kaufman has so much impact is that he was the bastion of confidence for the cash-heavy bears," those who kept their money in short-term investments.

When his change of heart was made public on Tuesday, Mr. Kaufman's followers started buying bonds, but it was too late.



Henry Kaufman

Gold Leaps, Shows \$52-Rise for Week

By Bob Hagerty ternational Herald Tribune

PARIS — Lower interest rates and rumors about bank losses sent gold prices leaping Friday. Gold for delivery this month traded as high as \$392 before

being settled on the New York Commodity Exchange at \$386.50, up \$11.40 from Thursday and \$52 from last Friday. In London, gold surged \$29 to close at \$385.25, a ven-month high.

Traders attributed the surge to worries about debt problems in Mexico and several other coun-Mexico and several other totaltries, the recent sharp decline of
U.S. interest rates and buy signals
from analysts who chart gold price

Minister Says OPEC Although he termed

lous" rumors that Mexico's inability to repay its debts would send U.S. banks crashing, a broker at Bache Halsey Stuart in Paris said such rumors "make a lot of people

Nervous Market

A dealer at Samuel Montagu in London described the market as very, very nervous."
Richard Reinert, a gold special-

ist at Dean Witter Reynolds in Paris, said much of the demand reflects the same "flight to quality" that has pushed up the prices of U.S. Treasury bills this week. Big the safety of currencies and made portfolio managers more apt to plunk some of their funds into the

holdings remains high. To make

Hong Kong

London

Other Markets

gold "interesting" as an invest-ment, he said, rates would have to fall below the level of inflation. Nonetheless, Joseph Mis, a vice presideot at Shearson Loeb

Rhoades in Paris, said gold is drawing fresb investment, "No one has forgotten the heights we saw back in 1980," when gold reached a peak of \$875 an ounce on Jan. 21, Mr. Mis said. Favorable omens oo charts also

contributed. Chartists in the United States saw a major breakthrough when gold for delivery in

VIENNA - Mana Said al-Otei-

ba, chairman of OPEC's market-

monitoring committee, said Friday that the cartel will "spare no ef-

forts" to defend its \$34-a-barrel

reference price, despite forecasts

that demand for oil will remain

weak in the rest of this year.

Mr. Oteiba also said OPEC's

overall production is below the

cartel's ceiling of 17.5 million bar-

rel a day, agreed upon in March in an effort to limit supplies and strengthen demand on oil markets.

"I feel myself optimistic about the future," added Mr. Oteiba, who is the oil minister of the Unit-

ed Arab Emirates. He was speak-

ing to reporters at the end of the

monitoring committee's day-long

Despite his professed optimism about OPEC's future, Mr. Oteiba

acknowledged that some member countries are still violating their

production limits and said third

and fourth quarter demand may be lower than OPEC experts predict-

ed at a ministerial session in July.

when the 13 member ministers failed to agree to stick to their sys-tem of prices and production quo-

tas. Mr. Oteiba also said "political

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That meeting ended in disarray

December topped \$380 Thursday. A broker at Merrill Lynch International said such signs provided a pretext for bulls to charge in. "A lot of speculators have been waiting for a chance to get into this market," he said.

The Merrill Lynch broker said the rally is likely to continue oext week. A "bit of resistance" is likely at the \$400 level, he said, but gold could well reach \$450 in a week or two. A more gradual advance would be better for the market, he

mend those measures at its next

meeting, slated for Sept. 20 in Abu Dhabi, he said.

secretary general, Marc Nan Ngue-

ma, blamed continued slack de-

mand for oil on the international

petroleum companies, which they

said were drawing on stockpiles in

an effort to avoid increased pur-

"They are drawing on stocks in-stead of buying because they think

oil will be cheaper in the fourre," said Mr. Nguema. "But they are wrong. The reality is that the price will hold."

Mr. Otciba said current OPEC

output is less than 17 million bar-rels a day. "Let's say 16.9 million

for the sake of the exercise," Mr.

Earlier, Indonesia's oil minister.

ibroto, said output in July was

18.2 million barrels a day, well

Meanwhile, industry sources said Indonesia is poised to cut the

prices of its slowest moving crude

oils, but is held back by the hope

Zurich

above the agreed-upon ceiling.

chases of the cartel's oil.

Oteiba said.

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Both Mr. Otciba and OPEC's

At Dean Witter, Mr. Reinert also said a price of \$400 to \$450 is likely in the weeks ahead. He said it would be "very difficult," however, to push the price back up to \$875. "It would take a total bank collapse," Mr. Reinert said. That woo't happen anytime soon, he said, because too many people are expecting it.
The dollar, meanwhile, weak-

ened in quiet trading. In late London trading, it was quoted at from 2.4840 late Thursday.

Aims to Defend Price measures" may be taken to con-vince members to abide by their

quotas, but he declined to elaborate. The market monitoring committee will decide whether to recom-

rate," said Mr. Kaufman, whose forecast earlier this week that rates will fall in the months ahead helped ignite a powerful rally on

were mixed at midday; Treasury bill yields were unchanged to slightly higher, and coupon issue prices up modestly on the day, dealers said.

government meetings on the sub-ject and the mood has completely changed from one of resistance (to price reduction] to one of wanting to go ahead. We are just waiting for a telex," one source said. A second oil company manage



Mana Said al-Oteiba

that some other OPEC country will buckle to the pressures of the oil glut first, Reuters reported from Jakarta "We understand there have been

id, "Yes, there have been talks and there is a turnaround in thinking. I wouldn't be at all surprised it comes soon, but they sure would like to see someone else go first."

age hit 776.92, its lowest closing level since April 21, 1980. Analysts ooted that many of the most active and strongest shares were those in the cyclical industries that would be among the first to benefit from an economic up-turn. Sears rose 14 to 22, Pacific Gas & Electric 11/4 to 27, IBM 21/4 to 6814, AT&T 114 to 56%, Exxon 14 to 27%, GM 216 to 47% and Citicorp 21/2 to 261/2. Among those predicting a discount rate cut soon was Henry Kaufman, the chief economist at the investment banking firm of Salomon Brothers. **Funds Rate Falls** He noted that the Fed has con-

Mexican Debt Accord

Exchange swelled to some 96 mil-

lion shares, the second highest on

328.87 million, for the week ended

agreed on rolling over its debt

be described as a bull market. "Be-

fore a bull market can be declared,

you must have a downside reaction

that would hold above the lows set earlier this month," he said.

On Aug. 12, the industrial aver-

the market."

lifted the final cloud hanging over

timued to supply funds to the banking system and that the rate on federal funds, overnight reserves banks lend one another, dropped to around 81/2 percent early Friday from an average of 10.11 percent in the week ended Wednesday.

"This suggests that there will be further declines in the discount

The Fed already has made three half-point cuts in the discount rate since July 19. The New York credit markets

Three-month bill yields, which

CURRENCY RATES Interbank exchange rates for Aug. 20, excluding bank service charges.

\$ 1 2702 4512 82.19 2454 4278 1,7423 — 1,78425 247220 — 1,742 4,9685 11,98 20715 3,6111 2 D.M. F.F. II.L
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3.6111 84.585 ° 30.195 ° 0.1497 2.3575 6.5971 2.6824 7.4985 2.5921 45.2696 1,5967 2,9498 51.5073 2,2719 1328.44 1511.49 **Dollar Values** Correacy Per U.S.S 8.0071 Jaroell shekst 27.00 0.004 Joposess yen 255.35 0.4242 Konwell dieer 0.2895 0.4276 Motor, ringst 2.39 31508 Norus, irone 4.6328 31154 Phil. pess 8.6556 0.0115 Pert. escude 84.978 0.2907 Soudi riyel 3.44 0.464 Simpopore 5
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when taken. No residency required. Our graduates are recognized for their achievements in business and

Reduce Primes NEW YORK - Share prices ex-U.S. M-1 Fell drawing strength from news that banks have reached a debt accord \$100 Million NEW YORK — The Federal Reserve reported Friday that the basic measure of the U.S. money, M-1, declined a modest \$100 million with Mexico and from further dec-

in the week ended Aug. 11 from the previous week. The drop was in line with most private forecasts, which had called the money supply figure to remain about flat. The result means money-supply growth remains well within the Fed's targets.

fell more than a percentage point Thursday, dropped another half point in initial trading Friday and then rose. Three-month bills were at 7.02, unchanged from Thursday. with rates nn six-month and year bills up four and eight basis points, respectively, at 8.44 percent and 9.18 percent. A basis point is one-

bundreth of a percentage point.

Dealers said bill yields began
rising because some market participants thought their sharp fall in recent days was overdone. The surge in demand for Treasury bills reflected what dealers called a "flight to quality" as investors sought safe investments in the face of rumors that some big U.S. banks will lose heavily on loans to Mexico. Banks have denied such rumors, which sprouted late Thursday, and the Fed has tried to calm the market.

Longer-term securities rose in

record. The highest, 132.69 mil-lion, was reached Wednesday. To-tal volume for the week was also a record, about 455 million shares. response to passage in Congress of The previous weekly record was the \$98.3-billion tax increase bill endorsed by President Reagan. May 5, 1982, Hildegarde Zagorski of Bache Group said news that Mexico had That legislation was viewed as a sign that the government is becoming more responsible in its budgeting and will not burden the market with as much debt as had been feared. The key 14-percent Treasury boods due in 2011 gained a But Newton Zinder of E.F. Huttoo said the market still could not point to reach 114%.

Mr. Kaufman ooted that while the charge into Treasury bills has pushed their yields down steeply, the decline in yields on private instruments has been moderate this week, "Just two weeks ago, the yield differential between threemonth Treasury bills and negotiable CDs was 102 basis points, as compared with about 270 basis points" early Friday, he said,



Mechanics of a New **Major Boom**

And the Big Profits Already Gathered by a Comprehending Few

in a report of last February 2 to KOG clients we demonstrated with detailed chartwork why we felt U.S. Treasury Bond futures were about to establish a new rock-bottom buying level at \$57/4 before turning to white through \$70 in the archilevel at \$55% before turning to drive through \$70 in the early stages of a sustained easing of credit. At that time, you may remember, leading experts on Wall Street and around the world were Street and around the world were asling for a directly opposite outcome—some widely-followed pundits having said the U.S. prime rate would climb to 24 percent. Now that the prime rate has dropped 7 points from its highs with T-Bonds advancing by as much as \$9, the IOG fund has climbed by more than 22 percent with its passet. more than 22 percent with its assets solidly invested in equities and futures destined to benefit from a full-scale reversion to benefit from a full-scale reversion to easy money. Clients who chose to concentrate exclusively upon the turn in T-Bonds have been able to net \$9,000 for every \$2,500 in margin money required to handle a \$100,000 for the turn of turn of the turn of the turn of the turn of the turn of t you're this far ahead of the crowd in copitalizing upon preparations for a new upward phase in the economy and the stock market, it becomes possible to begin compounding goins during early stages of the rebound which find the vast rebound which find the vast preponderance of investors still in a state of misguided negativism or total furmoil. To understand in detail how IOG managers see credit easement relandling growth in such areas as automation, electronic systems and advanced components, phone takes as automation. phone, telex or return the coupon for complimentary Equity Growth reports and fund details.

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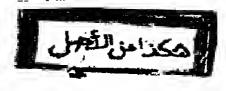
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Japanese Vehicle Exports

TOKYO — Japan's two biggest automakers turned in a mixed export performance in July. Toyota Motor Corp. said Friday that its vehicle exports in July fell 1.5 percent from a year earlier to 147,104.

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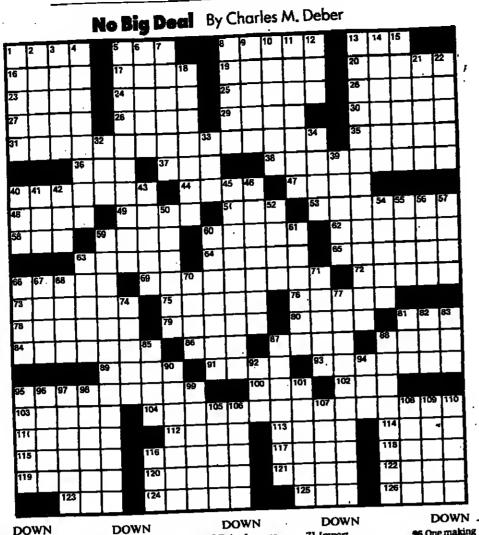
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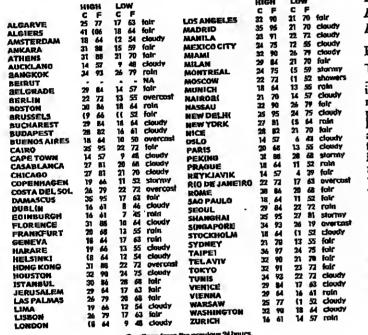
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BOOKS

IN COLD TYPE: Overcoming the Book Crisis By Leonard Shatzkin. 397 pp. \$17.95. Houghton Mifflin, 2 Park Street, Boston, Mass. 02107

Reviewed by Herbert Mitgang

HAPPINESS is a warm-hearted publisher, with an uncomplaining author, who has written a commercial literary work (but that is not perceived as TOO literary by the public cleanty work) with the architecture. lic, else it won't sell) that has achieved a six-figure (nobody ever talks about five figures, which with luck is where it's really at) paperback sale, that gets reviewed by a warm-hearted critic and that is in the bookstores instead of a marchouse when the author gets on warehouse when the author gets on the "Today" show for five glorious minutes, so that everybody in the United States rushes out to buy it or order it from the Book-of-the-Month Club or Literary Guild, putting it on the best-seller charts. Amen.

A few Drayers are, in all or even one or two of the above are to happen to a book in a time of distress for publishing. In the last decade there have been great changes on the higher levels of the business. Where not long ago non-publishing conglom-crates were eager to acquire publish-ing houses for profit, respectability and fun, in recent years they have had some difficulty disgorging them. On the selling end, what has seemed a welcome innovation—the

expansion of book chains into shop-ping centers and more neighborhoods has caused problems for independcal bookstores.

Beer, Not Books

What has happened to books in the Age of Atari that has overtaken the Age of Aquarius? Well, for one thing, competing sources for the American attention span and optional dollars in a recession. As the children's joke goes: "E.T., your mother is calling." But E.T. is intoxicated by beer, not books. The story so far: A zillion dol-lars for "E.T." artifacts; two zillion for video games; the costs of books, like other products in an inflated economy, going up; literacy, going down; and federal reductions for schools and libraries that have knocked the underpinnings out from under many authors, editors, and publishers.

So a book that comes along called "In Cold Type: Overcoming the Book Crisis," is most welcome. Its author, Leonard Shatzkin, is worth listening to because he has been around with several major houses and is a specialist in marketing books. He is also on the side of the angels — readers and authors and publishers struggling to survive and all the little elves who labor in the woodshops and bookstores to produce and sell books.

Shatzkin believes that the key to success is "efficient, pervasive, mexpensive distribution." Unlike most consumer businesses with products on the shelves, booksellers traditionally can return unsold books to publishers. These "returns" are the bane of the book world because they indicate mistakes in judgment about the number of books printed, withholding of roy-alties from authors until publishers know just how many books actually have been sold rather than shipped, and the cost and nuisance of sending books back to the publisher. So, one of his key recommendations is:

"Have the bookseller demand that each publisher take responsibility for selecting his own books for that store." Shatzkin reasons that a publisher has "superior market information - presumably he knows what audience he had in mind when he decided to publish the book." Before publication, it is the publisher who knows how "each of his titles sold in each store that carries his books," Shatzkin store that carries his books. Shatzkin continues: "He therefore knows the limits within which the sales in each store are likely to fall. But since he will have the authority to put copies in the sales in each store are likely to fall. But since he will have the authority to put copies."

Resocated Press

BELGRADE — More than 30,000 arrow tips, believed to date from the 16th century, have been unearthed in Serbia, a Belgrade daily reported.

in at will, he can reduce the inventory risk on titles expected to sell strongly by initially putting in a fraction of the expected sale and adjusting future ipments to actual experience.

Shatzkin is objective enough about his own proposal to call the publisher "the bookseller's friendly enemy." Under the present system, the pub-lishers' salesmen pitch their lists of books at bookstore owners; literally only seconds or minutes are devoted to each new title. Booksellers then decide which titles and how many they will carry in their stores. But there is another side to the ar-

ment in favor of publishers' deciding what books a bookstore should carry. Don't intelligent local booksellers know their customers' preferences shere? A publishers push the big commercial titles on their lists and overlook slowerselling literary works — or just books that they themselves like, including familiar backlist titles, and want to recommend to their customers?

Shatzkin has some interesting things to say about editorial decisions in publishing houses and about auD

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"In a publishing house that gives each editor maximum freedom," he writes, "and where the editor can feel that his decision has not been distorted by a committee or an unsympathetic husiness manager, the editor is most likely to try to get the cooperation of those other departments that contribute so much to the success of any book. And he is likely to listen more sensitively to what they can tell more sensitively to what they can tell him simply because he knows he can ACT on what he learns."

Shatzkin's chapter called "Don't Forget the Author" makes the point that most writers live below the poverty line and that, on the average, an author is "very shabbily rewarded." And so he is for anthors supported by a strong chain of command within publishing houses — sensitive editors, publisher commitment to the books. eventually sound distribution that will make books successful for all involved, including that poor chap who is writing in the dark. Authors will welcome "In Cold Type," too.

Herbert Mitgang is on the staff of The New York Times.

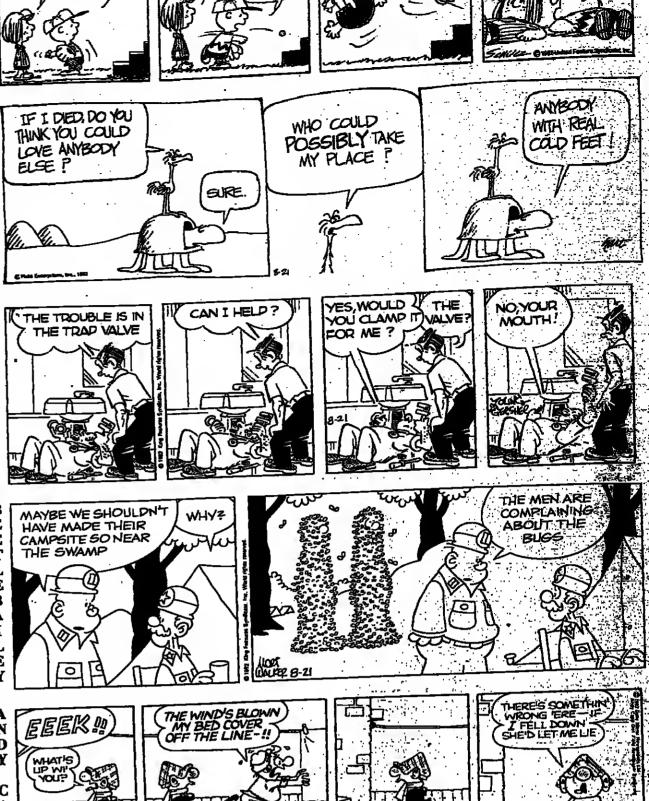
Popular Painting Of Madonna Stolen, Recovered in Italy

REGGIO, Italy — Police recovered Thursday a stolen 16th-century paint-ing of the Madonna that is a symbol of the patroness of Reggio di Calabria southern Italy.
Police said they found the painting

of the Madonna of the Consolation at the side of a road leading from the basilica of the Capuchin monastery from which it was stolen Wednesday. The theft of the painting, which is used in a popular yearly procession in Reggio, sparked a protest that lasted several hours outside the church.

When word that the painting had been found spread through the city, residents rushed to the roadside and carried the Madonna back to the church, singing and praying along the way. Police said the painting was not damaged

Hoard of Arrow Tips in Serbia The Associated Press



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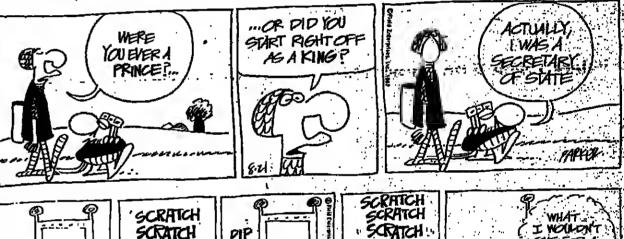
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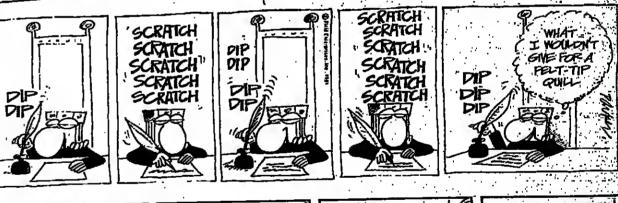
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I'M NOT EVEN GONNA'

TELL HER I SAW

YOU, CHUCK ..

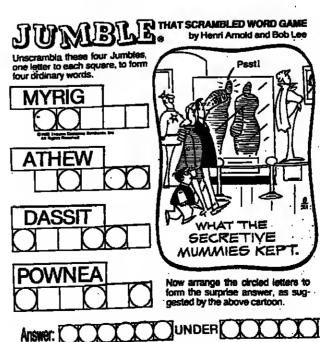








DENNIS THE MENACE



(Answers Monday) Jumbles: PURGE BALMY MYRIAD KNOTTY What comes into the house through the keyhole?—A KEY

Imprimé par Offprint, 73 rue de l'Evangile, 75018 Paris



BUT GEE WHIZ YA SAID COME AN GET ATT SO HE CAME AN GOT IT!



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INTERNATIONAL HERALD TRIBUNE, SATURDAY-SUNDAY, AUGUST 21-22, 1982

SPORTS

The Rams' Wendell Tyler scoring against the Browns.

SPORTS BRIEFS

Ovett to Miss Europe Championships

LONDON - Steve Ovett's leg injury has forced him to withdraw from

Ovett, the 26-year-old middle distance numer from Brighton, Eng-

the European Championships in Athens next month and also from a proposed confrontation with Sebastian Coe in Eugene, Ore.

land, who holds the world record in 1,500 meters, pulled a hamstring

while training Wednesday. His adviser, Andy Norman, the manager of the England track and field team, confirmed Friday that the injury

Also the Olympic champion in 800 meters, Ovett was slated to race Coe over a mile in Eugene on Sept. 25. He is hoping to recover in time to compete in the Commonwealth Games in Brisbane, Australia, in Octo-

Whalers Trade With Flyers: Oilers

defenseman Mark Howe to the Philadelphia Flyers in exchange for cen-

ter Ken Linseman, left wing Greg Adams and the Flyers' first-round draft choice in 1983. The National Hockey League teams also swapped third-round draft choices in 1983, said Larry Pleau, the Whalers' general

After completing the deal with the Flyers, the Whalers then traded Linseman and forward Don Nachbaur to the Edmonton Oilers for de-

McEnroe, Connors, Lendl Triumph

Connors, seeded second, lost his serve three times in the second set but

stormed back with brilliant passing shots and lobs to beat minth-seeded

Ivan Lendl, seeded third, saved two set points on his serve in the 10th

fourth-seeded Vitas Gerulaitis battled Hank Plister for 2 hours and 36

minutes before prevailing, 7-5, 4-6, 7-5. Other victors Thursday included

Cook Leads PGA Event in Michigan

Morris Faces 'At Least 100 Years'

MIAMI — Engene (Mercury) Morris, a former star running back with the Miami Dolphins of the National Football League, faces "at least 100

years" of prison sentences if convicted on all nine drug charges against

him, the chief assistant to the Florida state attorney, George Yoss, said

hree counts of possessing cocaine, one count of trafficking in cocaine, me count of conspiracy to sell cocaine and one count of possession of

Former Welterweight Jailed for Life

MIAMI - José Stable, a former welterweight contender, has been

intenced to life in prison for shooting and wounding a police officer

Stable, now 41, lost to Emile Griffith in a fight for the welterweight nampionship before 18,000 fans in Madison Square Garden in 1965. He

right a few more times after that but then dropped out of contention

Compiled From Agency Dispatches

in the Association of Tennis Professionals championships.

Gene Mayer, Guy Forget, Steve Denton and Brian Gottfried.

after one round of a PGA tournament here.

the cocame from Morris and two other men.

ho was trying to take him to court last year.

4 Browns Believe in Bahr After Narrow Victory Over Rams

CLEVELAND - Matt Bahr kicked four field goals, the last with three seconds left, to give the Cleveland Browns a 26-23 exhibition victory Thursday night over the Los Angeles Rams.

"There is no question about Matt Bahr," said Sam Rungliano, the Browns' coach, implying that the kicker had officially made the team. "A good kicker can give a team an up feeling just like a poor kicker can give a team a down feeling."

The victory, which gave the Browns a 2-0 exhibition record, was largely engineered by backup quarterback Paul McDonald, completed 16 of 25 passes for 245 yards and a touchdown.

Rutigliann said he was happy with the performance of both quarterbacks. Brian Sipe, whn played the first half, hit on 7 of 15 for 69 yards but had two interceptions. "I thought Sipe and McDonald both played well," Rutigliann said. "Having two like that just makes us a better team." The Rams' coach, Ray Malavasi, said he was pleased, on the whole, with the Rams'

performance. He noted that most of the Starr said in response to Marcol's com-Browns' scoring came in the second half ments published recently in The Detroit Browns' scoring came in the second half ngainst the Rams' second-string defensive

"We were not sharp picking up the Cleveland blitz," he said, "It is more effective early in the season against our new system and a new quarterback."

Bert Jones, acquired by the Rams from the Baltimore Colts in the nff-season, connected on 6 of 8 passes for 73 yards. Vince Ferragamo, back after a year in the Canadian Football League, was 8 of 17 for 87

Before Bahr's winning field goal, the Browns had rallied from a seven-point deficit in the last two minutes, with McDonald throwing a 25-yard touchdown pass to Dan Fulton with 1:54 remaining to tie the score, 23-23.

from the team's trainers or doctor.

"I don't know of any problems be had other than his problems with alcohol,"

 Bart Starr, coach of the Green Bay Packers, said that if Chester Marcol was addicted to pain killers while place-kick-ing for the Packers, he did not get them quested a trade to a West Coast team.

• The Kansas City Chiefs have recom

News.

Being an athlete, it was very easy for me to get any type of drug I wanted,"
Marcol was quoted as having said. "I liked
them. They were real nice. They put you in
a mellow sort of mood that I enjoyed. They were especially relaxing when you had in play in Green Bay in December in 10 degrees below zero. I didn't even know it was cold not there."

• The Minnesota Vikings have acquired defensive lineman Charley Johnson from the Philadephia Eagles for a "high" 1983 draft pick. The 6-foot-3, 265-pound nose guard has been absent from the Eagles' training camp since Aug. 4, when he argued with Coach Dick Vermeil about the intensity of his practices. Johnson, a six-year veteran nut of Colorado, had re-

mended that second-year tight end Marvin Harvey retire because of an abnormal neck condition he has had since birth. The condition was discovered after X-rays

in training camp.

• Louie Kelcher, a defensive tackle, re-

turned to the San Diego Charger training camp, ending the "retirement" he an-nounced Aug 1. Keleher, 29, said he had talked it over with friends and relatives and had "done some soul-searching while fishing in the mountains," and had concluded he was now ready to play football.

 The Detroit Lions said that they had replied in a request by Billy Sims to renegotinte his contract. But Sims' lawyer, Gerald Tockman, said he had not received

The Lions have said they cannot talk with Sims about changes in his contract because July 15 was the expiration of the general operating agreement between the players association and league owners. Sims maintains the club broke an oral commitment by Russ Thomas, the general manager, to renegonate his contract for 1983, the option year of the pact.

· Ken Greene ended a holdout when he signed a one-year contract with the St. Louis Cardinals. Greene, a safety, was the

were taken following a minor neck strain Cardinals' top tackler and interceptor in

 Miami cut one placekieker, Jorge Portela, and signed another. Jim Asmus. · Guard Kurt Petersen may join the list

of Dallas Cowboy veterans sidelined for Saturday's exhibition game against the San Diego Chargers, team officials said. Petersen injured his right shoulder in practice Thursday. Others still out because of injury include tight end Jay Saldi, backup quarterback Gary Hogeboom, halfback James Jones and defensive back Dextor Clinkscale.

 Dave Krieg will start at quarterback for the Seattle Seahawks when they face the Minnesota Vikings in an exhibition game Saturday. Jack Patera, the Seahawk coach, said that Jim Zorn will play the sec-

"There is a difference between starting a game and coming in later," Patera said. You have to react to different situations." The coaeb said he wants to give Zorn and Krieg as much playing time as

Gura Hurls Royals Over White Sox

KANSAS CITY - Even though he was hampered by a slight groin pull, Larry Gura pitched seven strong innings. Thursday night in leading the Kansas City Royals to a 3-0 victory over the Chicago

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Frank White singled home a run and scored another to back Gura's

BASEBALL ROUNDUP

100th victory. The left-hander scattered five hits, running his string of consecutive scoreless innings to 17 in becoming the American League's first 15-game winner. Dan Quisenberry harled the final two innings to record his 27th save as the Royals improved their home record to 42-16, best in the major leagues.

Twins 9, Orioles 3

In Minneapolis, Tom Brunan-sky, Gary Ward and Gary Gaetti Claudell Washington drove in

would keep Ovett out of action for a month.

fenseman Risto Siltanen and left wing Brent Loney.

defeating Barbara Hallquist, 7-5, 7-5.

with Andrea Jacger.

Brian Teacher, 6-1, 7-5.

Thursday

narijuana.

and quit the ting in 1967.

hit home runs in a six-run first in-ring, and Bobby Castillo pitched a and single. Nickro was called on to six-hitter to lead Minnesota to a 9-start when Pascual Perez, the des-3 victory over Baltimore. Brewers 10, A's 6 In Oakland, Calif., Ben Oglivie and Ted Simmons drove in three runs each, and Paul Molitor had ed States until Thursday. He became confused on Interstate 285, the perimeter highway around At-lanta, and circled it twice for a dis-

two doubles and two singles in leading Milwaukee to a 10-6 victory over Oakland. tance of about 120 miles (190 ki-Angels 8, Red Sox 5 In Anaheim, Calif., Fred Lynn singled home two runs and. sparked California's five-run outburst in the seventh, leading the

cit to an 8-5 victory over Boston. Braves 5, Expos 4

In the National League, in At-lanta, Phil Neikro allowed just three hits in seven innings to lead

first-place Angels from a 5-0 defi-

ignated starter, got lost on his way to the ball park. A native of the Dominican Republic, Perez had not driven a car alone in the Unit-

Reds 3, Mets 1

In Cincinnati, Ron Oester hit a two-run homer with none out in the bottom of the 10th to lift Cincinnati to a 3-1 victory over New

Pirates 6, Glants 1

In Pittsburgh, Jason Thompson had two RBI singles and Tony Pena went 3-for-4, including a home run, to give Pittsburgh a 6-1 victory over San Francisco.

Padres 4, Cardinals 3

In St. Louis, Garry Templeton singled home a run to highlight a three-run third inning that helped San Diego snap the Cardinals' five-game winning streak with a 4-

Cubs 8, Dodgers 2

In Chicago, Ferguson Jenkins, backed by a 17-hit attack that included home runs from Jay Johnstone and Bill Buckner, picked up his 272d major-league tnumph, an 8-2 victory over Los Angeles. Jenkins, 38 years old, needs one victory to tie Red Ruffing for the 20th spot on the victory list.

Astros 7, Phillies 6.

In Houston, Denny Walling singled home Danny Heep from sec-ond base in the 11th, giving Hous-Philadelphia. It spoiled an outstanding performance by Garry Maddox, the Phillie centerfielder who homered, singled twice and

Major League Standings

AMERICAN LEAGUE

"Sitanen was the main one we wanted from Edmonton," Plean said.
"We wanted a defenseman who could come down ice and keep the
mobility we were losing." Siltanen, 23, is a native of Finland who has
played in Edmonton for four years. Last season he scored 15 goals and
had 48 assists in 63 games. 47 93 983 — 65 54 546 4 61 57 517 775 Navratilova Advances Easily in Canada Bottimore Bottimore 61 58 513 B 57 57 500 76 MONTREAL - Martina Navratilova overcame some early inaccuracy to storm past Claudia Kohde, 6-1, 6-3, Thursday night in the third round 57 59 AM 107 58 63 AM 12 of the Canadian Open Women's Tennis Championships.

Navratilova, the No. 1 seed and top money-winner on the tour, was to meet Iva Budarova of Czechoslovakia in Friday's quarterfinals. Budarova, who upset Billie Jean King in the second round, stayed alive by 54 60 AC 16 48 69 A10 19 42 78 350 27 Virginia Ruzici beat Catherine Tanvier of France, 6-1, 6-1, and will play Hana Mandlikova next. Helena Sukova battled stiff winds but ralied past Rosalyn Fairbank, 1-6, 6-1, 7-5, to set up a quarterfinal match W L Pct GB # 51 .575 # 52 .558 # 54 .533 @ S 517 7 KINGS ISLAND, Ohin - John McEnroe and Jimmy Connors over-68 54 557 — 64 54 555 3 64 57 557 3% 63 57 576 5 55 66 458 12 46 78 350 21% came problems with their serves Thursday to post third-round victories McEnroe, the top seed, improved his serve in the last two sets and rallied to defeat 10th-seeded Ranl Ramirez of Mexico, 4-6, 6-3, 6-3.

Line Scores NATIONAL LEAGUE

Lise Angeles 50 000 910—2 6 6 Chicago 914 191 915—6 17 6 Welch Backwitt (a), Madentuer (1) and Schoscies Jenkins, Triarow 191 and J.Dovis, W.Jenkins, 8-13, L.—Welch, 14-8, HRs.—Johnstone 191, Buckner (10).

Pittsbursh 182 197 81x-6 13 0 Gate, Heliond (5), Levelle (7), Alinton (8) and Branly: Candetorio, Scurry (8) and T.Pena, W— Candetoria, 10-5. L— Gale, 5-12, HR—Pittsbursh, GRAND BLANC, Mich. — John Cook shot a 6-under-par 30 on the back nine Thursday on his way to a 7-under 65 and a one-stroke lead Strange. Bob Eastwood was another shot back at 67, and Payne Stewart and John Adams shared fifth place with 4-under 68s.

Cook finished in the top 10 into 675.

Afforms (8).

Montreel 220 200 206—4 3 9

Afforms 102 200 206—5 22 0

Sonderson, Fryston (7), Recreton (7).

Schatzeder (8). 8.3mith (8) and Cerfer:

P. Alleiro, Gorber (8) and Sthatte. W— P. Niekra,

11-3. L.—Frymen, 7-3. HR—Montreel, Carter

(24). Welloch 110). Affortis, Weskington (10).

New York 900 310 8—1 7 0

Cincinnell Swon, Houstman (10) and Hodges; Bergryl,

Kern (19) and Von Gorder, W— Kern, 3-5. L.—

Houstman, 1-1. HR—Cincinnell, Cester (4).

Son Diego 90 300 30 500—3 6 2 Cook finished in the top 10 just once this year, tying for minth at Phoenix, Ariz. He missed five straight cuts before finishing 64th, 34th and 62d in his three most recent efforts.

> Drovecky, DeLean (7) and T.Kennedy: Stu Kaat (8), Bolr (8) and Tenpos. W—Dravecky. 4. L.—Stupor. 5-3. HR— 32. Jovis. Tenoca (51. Philodelothia 022 016 000 00—6 16 Phouston 197 690 018 01—7 13 1 Houston . 191 sep one up-, is ... Cartion, Monee (11) and B.Diaz; Knepper, LaCarte (6), Raberse (7), D. Smith (7) and Knicety, W—D.Smith 2-4 L— Monee, 5-1, HR—

000 199 000-3 6 S

"The trafficking count is the big one," Yoss said. "On that count +/[Morris faces] a minimum mandatory of 15 years, no parole or probation, and a \$250,000 fine." Yoss also said that two of the four men o, Maddax (6). AMERICAN LEASUE arrested with Morris on Wednesday were undercover agents who bought Battimore 09 60 603—3 6 0
Minnesota 410 190 67x—4 13 0
McGresor, Boddicker (1) and Nation;
McGregor, 12-12. HRp.—EAurray (191.
Lowerstein (20). Minnesota, Brunonsky (14). Morris, free on \$150,000 bond, faces three counts of selling cocaine,

Hoyt. Barolas (7) and Fisk; Gura. ulsenberry (8) and Wathan. W.—Gura, 15-6. L.— 001 113 100-- 6 10 2

Many American men, and a fair share of women, probably have collected baseball cards at one time or another. Baseball cards dominate most collectors' shows, and the equivalent of a national circuit exists for the thousands who fallow prices, trends and new discoveries in such periodicals as the Baseball Hobby News, The Trader Speaks, or the Sports Collectors Digest. Last weekend, there were 15 card shows throughout the United States for dealers, traders nte (7) and Getiman; Renka, Klaon (4) e. W—Kisan, 7-4. L—Clear; 7-6.

and novices. This weekend there



Phil Niekro prepares to leave the mound after beating the Ex-

By Neil Amdur

New York Times Service

NEW YORK — My 10-year-old son was distressed to read about

the thieves who recently made off

with \$10,000 worth of baseball

cards at a shopping mall in upstate New York. The thought of some-one stealing his collection of air-line pins, Richie Rich comic books

and baschall cards was chilling

enough for him to revise security

Collecting is supposedly a sign

of the gifted, or at least that's what

some psychologists keep telling us.

If so millions of Americans no

longer have to applogize for filling up basements, cellars, attics, ga-

rages and rooms with boxes nf

books, programs, pins, plinto-graphs, games and cards.

wider than a football field. Jnn

Kessel, a 38-year-old high-school English teacher from Selden, N.Y.,

has all 23 books in the Chip Hilton

sports series, the once-popular fic-

nonal collection for children writ-

ten by Clair Bee. How much is the

series worth?
"Nnbody's offered me anything

and I don't think there's ever been

any monetary value attached to it," Kessel said from his Long Is-land bome the other day. "But I

don't think I would ever sell them

anyway."
Sam Elfand of Tamarac, Fla.

nwaed every set of teams from the

APBA major league baseball board game, which began in 1950

with only 150 sets sold. He sold his

collection "for four figures," he

Like their art, stamp and coin collecting colleagues, sports collectors have been known to go to unusual lengths in pursuit of their objectives. Bill Schulman of Commack, N.Y., once heard about "a little nid lady" who suddenly discovered old baseball cards in her

house, apparently left by her fa-

ther. Schulman drove to the house;

the "old cards" turned out to be

two Honus Wagners and assorted

other golden oldies that cost him

in the neighborhood of \$7,000."

said, "nn the same day that Neil Armstrong walked on the moon."
Like their art, stamp and coin

The scope of sports collecting is

procedures in his room.

who, Finley feared, would later defect with no compensation to the NEW YORK - The bumbling A's. He made George Steinbrenner mad by not letting the Yankees spend hundreds of thousands to

Steinbrenner mad.

Bowie Kuhn Lives — Chapter Two

by refusing to let him sell players

bring Jason Thompson to New Ynrk. But everybndy makes

Last summer Kuhn made all of

America mad by taking no active

role in the baseball strike. This

wouldn't have bappened if Judge Kenesaw Mountain Landis were

alive, people said. It wouldn't have

happened if the baseball owners

were alive, either. They created the

strike by thinking they could bust the union, and they tied Kuhn's hands by giving the negotiating

power to an abrasive lawyer, Ray

Grebey.
When the season resumed, base-

ball made all the wrong decisions

in setting up another layer of playnffs, at first creating a situa-tion in which a team might be

forced to lose a game in order to

ecome eligible for a champion-

ship series. The extra round also eliminated the Cincinnati Reds.

who had the best record in the ma-

jor leagues. It was not Kuhn's, or

are causing some owners to go af-

seball's, finest moment. But those are not the issues that

By George Vecsey
New York Times Service

by Bowie Kuhn's enemies is enough to make a folk hero out of a man who has often been publicly characterized as a stiff corporate lawyer. Now Kuhn is counterattacking with words like these: "If a commissioner is worth his salt, he'll stand and fight. I'm not going to give this office away."

If this keeps up, people will soon be demonstrating in favor of Kuhn outside ball parks while wearing T-shirts carrying his image. Nelson Doubleday, who owns the New York Mets, also has another business that will affer Kuhn a sevendigit advance for an autobiogra-phy called "The Commissioner Who Would Not Die."

Kuhn has come the long way to qualify as a hero of the people, a tall, patrician figure who stood up to his employer-critics and said, in effect: Fire me, or let me do my

Chapter One

The first indication that Kuhn would not go down easily (Bowie Kuhn Lives, Chapter One) came this spring in Chicago, where the owners talked about limiting the league offices, advising the commissioner through an eight-team executive council and giving him more power.

"1'm more desirous than ever before," Kuhn said then about seeking another seven-year term as

At nne time or another in his first two terms, Kuhn has antagonized everybody who plays, watches or works in baseball. He made the sportswriters mad by letting baseball be played at night in er. He m me prayers m by apposing free-agency and wringing his hands about high sal-

He made Charles O. Finley mad

The Real Problem The real problem seems to be

that Kuhn has been talking up a system of sharing television revenue for all 26 major league teams. The owners in lucrative television markets don't want to share many of their big bucks with the owners in the hinterlands.

The irony is that the owners endorse other forms of socialism-atthe-top by fighting free-agency and DOYING IOT CONTIN from antitrust statutes.

Doubleday, who has been running the Mets only two years, has said it is time for baseball to hire a commissioner who is more business-oriented. An alternative proposal was to bring in a Chief Operating Officer of Business Affairs (forevermore to be known as COOBA).

are nine, and next weekend will be versus James J. Corbett). He says the biggie — the third annual na- he also has \$300,000 worth of Doubleday said Tuesday that Kuhn merely wanted to hire another employee he could control, but Kuhn denies this. "I think the commissioner

should be the chief executive officer," Kuhn said Thursday, "You can't have a hydra-headed commissioner. But a lot of businesses have an executive officer who handles financial affairs. We could have that and not get in each

Clearly, Doubleday and several

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gance," for the commissioner's re-fusal to resign. But Kuhn says: "I have a great majnrity of owners behind me. I owe it to them to continue. I believe I can still make a contribution to the integrity of the game."

The truth is, the man has served them enthusiastically for nearly 14 years, in a time when baseball has reasserted itself as America's favorite team sport. The owners actually did a good jnb 14 years ago when they picked a lawyer with a knowledge of baseball, a family man with strong values and a wry sense of burnor that he kept muzzled in the presence of his employ

If they think they can do better, they have until Nov. 1, but the Doubledays and the Steinbrenners had better get their act together. They are in the process of turning an acceptable commissioner into a national legend.

Transactions

BASEBALL American League MINNESOTA—Signed Alian

MINNESOTA—Signed Alten Anderson, pitcher, to a one-voor confroct.

Notional League PHILADELPHIA—Designated Sparky Lyte. PhilaDelPHIA—Designated Sparky Lyte. PhilaDelPHIA—Baskelball Association PHILADELPHIA—Stated Marc. Jovaroni, Songrad, to the present controct.

orword, to a free opent contract, PORTLAND—Signed Francois Wise, forward, FOOTBALL

FOOTBALL
Motiened Footboll League
CHICAGO—Cut Marcus Anderson, Eric
Rouse, Fred Brackinsten and Tim Clork, wide
receiver: Alke Hotcheft, Jeff Orlanda and
Dennis Tebron, defensive bocks: Jim Bob
Horris and Pele DiClemente, societies; Bob
Horbis, Bob Lesowski, Taint ends; Brad Webb,
Jinebocker; Jim Schietzer, punter, and Sieve
Welth, Dicchekker.

Veith, placekicker, MtAAN—Out Jorge Portela, placekicker, and algmed Jim Asmus, placekicker. PITTSBURGH—Cut Tom Birney, placekicker. and Al Hughes, defensive and. STLDUIS-Signed Ken Greens.

STI_DUIS—Signed Kan Greens, sofery, to a one-year confroct.

SAN DIEGO — Ambunced that Louis Ketcher, defensive tockis, has relained the club tollowing to 18-day "refirement."

WASHINGTON—Cut Bobby Beston, running back; Kenny Doniels, defensive back, and Antonio Howard, wide riscover.

HOCKET

Matiliand Hockey League

HOCKEY

Metional Hockey League
HARTFORD—Traded Mark Howe,
defensemes, is the Philodelphia Fivers for Ken
Linsemen, center; Grey Adoms, left Wing, and
the a 1983 first-round draft pick. Traded on to the Edmo

to the Edmonton Ollers for Risto defensement, and Brent Loney, left seed 1960 third-round draft picks with

CFL Standings EASTERN DIVISION W L T PF PA 4 2 1 188 174 3 3 0 149 168 1 5 0 139 171 1 4 0 47 163 WESTERN OIVISION 4 1 0 153 99 3 1 1 133 98 3 2 0 139 145 3 3 0 201 122 2 3 0 110 129

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baseball cards stored in a bank But baseball cards are only the most publicized phase of sports collecting. Mel Purcell, the proteanis player, collects batting helmets and wears them at tennis Sugar, the editor and publisher of Ring magazine, used the sale of some of his cards to pay for the

college education of his children. "In me, they're better than stock," tournaments. Bert Sugar, who is updating the fourth edition of his book "The Sports Collectors he said. Collectors, like stock traders, try Bible" has the original cornerstone from Yankee Stadium in the drive-

to capitalize on but items in a bull market. World Series programs have "gone through the roof," ac-cording to Sugar, with programs from 1903 now worth about \$2,000 apiece if you can find them.

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nther's way. other owners do not want Kulan around. Doubleday has blamed "one man's ego, one man's arro-

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LETTER FROM'ALASKA

Appendix of the first of the second s

The Railbelt Debate

By Bill Curry

Los Angeles Times Service TALKEETNA, Alaska - For 59 years and 470 miles, the Alaska Railroad, the northernmost railroad on the continent, has rolled through the lives and land of

Take Patricia Smith, 32. The other day, with her 3-week-old daughter strapped in a baby tote against her chest, she boarded train No. 4 after an overnight visit to Talkeetna for supplies and a doctor's appointment

Twenty-five minutes later, seemingly in the middle of nowhere but actually and precisely at milepost 244.6, the train stopped to let her off to return to her home, an iso-lated cabin that lacks power, running water - and access by road. The train is the Smiths' link with

Or take Roger and Melinda Evans, standing by the tracks at milepost 238.4 and waving their arms to hail the only train in America that makes such unscheduled "flag stops."

They had just spent nine days at their summer cabin on homestead land they staked 11 years ago. "Everybody staked here because the train is here," said Melinda, a doc-

Opening the Wilds Or take the Usibelli coal mines at milepost 362.3 near Healy. The mines will supply 220,000 tons of coal to South Korea this year, an amount that will increase fourfold in the next two years as Alaska seeks to build a Pacific market for

coal. The railroad makes it possi-It is difficult to overstate the importance of the Alaska Railroad in the state's past and present. Anchorage, Alaska's largest city, was founded to build the railroad, which was intended to open the wilds to development and settlement, and did. Even today, twothirds of the state's population lives in an area defined by it; the

Yet the railroad's future is uncertain. The line, which runs from Seward to Fairbanks, is owned and operated by the U.S. govern-ment. That has been its good for-tune in the past but may be its misfortune now. Taxpayers have put more than \$50 million into it since 1975, according to the General Accounting Office, and the Reagan administracion wants to end that federal support Oct. 1.

That has produced a deadlock in Washington over a plan to transfer the railroad and its costs to the state. How it is resolved may well determine when - or whether many of Alaska's mineral resources will be tapped, and thus whether remote, unsettled areas

will face development. New rail routes, some stretching for hundreds of miles, will be critical, and perhaps essential, for significant amounts of mining to oc-cur in Alaska, which has few roads. The railroad's receipts cover its operating costs, but it lacks the \$2.5 million to \$3 million per mile needed to build new track.

The congressional debate is over two major questions: Do Alaska's native peoples have first claim to some of the railroad's land? And, more importantly, should the rail-road be given to Alaska or should the oil-rich state pay for it?

"If the state of Alaska can afford to give away \$1,000 to every resident, it can afford to pay some thing for this railroad, says Rep. John F. Seiberling, Democrat of Ohio, referring to oil dividend payments now being mailed to everyone who has lived in the state for

at least six months.

Seiberling is chairman of the House Interior Committee's subcommittee on public lands and na-tional parks, which has approved egislation requiring Alaska to pay 75 percent of the railroad's value

either in cash or by returning some state land to the U.S. government. State officials oppose that bill. They favor one passed by the Sen-ate Commerce Committee that calls for a cash-free transfer but would require the state to assume the railroad's liabilities, including an estimated \$100 million in main-

tenance that has been delayed for lack of funds. The railroad, which accounts for all but 21 miles of rail line in the state, expects to make a profit of \$8.5 million this year, and, as long as revenues cover costs, it can run

in some fashion, carrying sight-seers and climbers to Mount Mc-Kinley, frozen food to isolated residents and construction materials to Anchorage and Fairbanks. But such revenues do not guarantee that the railroad can continne to open new land to development and provide money-losing passenger operations, two tradi-

tional services that give the line its

flavor and make possible a peculi-

Art Buchwald is on vacation.

arly Alaskan way of life.

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FOR A PRIE ESTIMATE CALL

Lord Denning

A Controversial British Judge Reflects On Justice. Morality, the Profumo Scandal and Other Cases

By Susan Billington WHITCHURCH, England -International Herald Tribune

"I think Justice should be painted wide-cyed, to see what's going wrong and to correct it." Lord Denning, one of Britain's longest-serving judges, leaned forward and clasped his hands, stressing his point. He spoke of the golden statue of Justice that crowns the dome of the Old Bailey in London: "She's not blind. She's got the sword of justice on the one hand and the scales of justice on the other. Not blindfolded, but with eyes wide open

The statue stands near the Civil Court of Appeal, where Lord Denning presided for 20 years as master of the rolls. Now, shortly after his retirement, he sat in his library at home, framed by his wife's colorful paintings and his monochromatic law books. Through the window could be seen the River Test, which cuts through of his estate. The Lawn, in Whitchurch, Hampshire.

to see what is right and what is

During his career in wig and robe, Lord Denning probably generated more controversy than any other judge of his generation. Steelworkers with "Defy Denning" placards and students wearing "Root for Denning" Tshirts converged on his busy court at one time or another. He infuriated fellow lawyers by breaking legal precedents, and provoked the House of Lords to overturn his judgments by bend-ing the letter of the law to conform with his vision of justice.

"I've always said that justice is not a temporal thing. It's eternal, a thing of the spirit," he reflected. The nearest approach to a definition I can get is what the right-minded members of the community believe to be fair. Simply that. What's fair. Not only between man and man in these days, but between man and the state. Some people would call it cept that's ingrained in most peo-ple."

Fairness

Some of his critics say he lacks exactly what his metaphor of jus-tice lacks: the blindfold of impartiality. In an ironic conclusion to a career in which he considered himself a champion of citizens fighting authority, Lord Denning retired late last month amid charges of racism. His latest book, "What Next in the Law," alleged, among other things, that black people have different standards of conduct than whites. The book was withdrawn by the publisher before Lord Denning announced his retirement

some of the original text omitted. In his last case, in July, Lord Denning ruled that, because the Sikhs of India are a religious and oot a racial group, they are not protected under the Race Relations Act of 1976. Outraged minority lawyers protested that he was prejudiced, out of touch with modern multiracial, multicultural Britain.

May, then was reprinted with

Hustrious Citizen

Alfred Thompson Denning was born in Whitchurch in 1899, two years before the death of en Victoria, when Britons were the rulers, not the neigh-bors, of Africans and Asians, His birthplace is now a pharmacy, his first school is now an ambulance station, and Lord Denning, who was the soo of an impoverished draper, is now his village's most

In some areas, he admitted, he is indeed conservative. "If you take subjects on which standards of conduct or morality are concerned, I would certainly be on the dichard right of those. Honesty, faithfulness in marriage, and courage and patriotism. Those old standards, I'll stand by them. Oh, yes, from that point of view, I'm old-fashioned.

To the annoyance of more util-itarian colleagues, Lord Denning refuses to separate religion from morality — and law. "I've often said that, without religion, there can be no morality. And without morality, there can be no law." The Ten Commandments, he said, provide a good starting



Lord Denning: A new stage.

point for the pursuit of justice. The Bible is the most tattered book in my library. I have drawn upon it constantly," he wrote in his autobiography, "The Family Story," published last year.

In many other matters, however, he considers himself a liberal. Regarding "reform of the law, the development of it, our com-mercial law and our administrative law, I would hope to be regarded as progressive," he said. Even critics concede that his

rulings have changed the face of British law. Along with landmark rulings on contracts and liability, he has helped update Victorian divorce and property laws by inspiring a long series of judgments that protect divorced women.

Biggest Surprise

When asked what was the big-gest surprise of his career, he gest surprise of his careet, he said: "I think, perhaps, when I was invited to investigate the Pro-fumo affair," the 1963 scandal over War Minister John Profumo's liaison with the call-girl Christine Keeler, whose other lovers included a former Soviet naval attaché. The scandal almost brought down the Conservative government of Harold Mac-"It had many political over-tones," Lord Denning said of his

investigation after Profumo resigned. Three years later, a Royal Commission report on the Profu-mo probe concluded: "No government should ever again set up a tribunal of the type used in the Profumo case, where the examin-ing judge, Lord Denning, had to act as detective, inquisitor, advo-

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cate and judge on the basis of evidence taken in secret."

Regarding trends and changes in the types of cases that have come before him, Lord Denning said: "We've had many more cas es in my time in order to control the abuse of power, whether by ministers or by local authorities or agencies or by tribunals. I think in modern society there may be a tendency for power to overreach itself."

His court helped Freddie Laker knock down bureaucratic barriers to his innovative Skytrain air service. It also challenged the trade unions, whose power Lord Denning described as the single greatest problem now facing Britain. His refusal to grant striking steelworkers the right to extend their dispute into the private sector, and his defense of a worker's right to membership in the union of his choice led to charges that he is anti-un-

Short Sentence

Lord Denning got a law degree

from Oxford in eight months. He never read briefs or papers before a case. He speaks and writes in short, clear sentences. "I avoid long sentences like the plague: because they lead to obscurity. It is no good if the hearer cannot follow them. I strive at all costs to be clear. Not ambiguous or prevaricating." he wrote in his autobiography.

There can be few other judges

in the world who would begin an opinion a sentence like "It was bluebell-time in Kent" or "Broadchalke is one of the most pleasing villages in England." He has said that he constructed each judgment like a play, complete with a prologue, several acts and an epilogue. While most of his cases read like tragedies, they are brightened by his language. His life has also contained ele-

ments of tragedy. Two of his four brothers died during World War I, one of shrapnel wounds, the other of tuberculosis. (The other two led distinguished military careers; one is a vice admiral and the other a lieutenant general.) His first wife, Mary, died of tu-berculosis during World War II after bearing one son, Robert, who now teaches at Magdalen College, Oxford. But at the end of the war things began to look brighter; he was appointed a judge, and he met Joan Stuart, now his wife of 37 years. In 1957, he was created a life peer.

His plans for retirement? "Well," he admitted, "I would enjoy writing a play."

PEOPLE

Injury Mars Ark Hunt

A former U.S. astronaut, James B. Irwin, was injured in a fall on Mount Ararat in eastern Turkey while searching for the remains of Noah's ark, U.S. diplomatic sources said. They had no details on Irwin's condition. A Turkish military helicopter flew to the site of the accident oear the peak of the 16,946-foot (5,140-meter) mountain to pick Irwin up and take him to the nearest hospital, in Erznrum. The 12-man expedition led by Irwin, a fundamentalist Baptist. started its search Aug. 9. Its prog-ress was delayed earlier this week by a fire at a campsite. Irwin was pilot of the lunar module in the Apollo 15 mission in 1971, spending almost three days on the moon with David R. Scott while Alfred M. Worden piloted the command module. Mount Ararat is the traditional site where Noah, his family and two "of every living thing of all flesh" came to rest after the flood written about in the Old Testament Local legend supports the belief. Kurdish tribes in the foothills of the mountain pray to Noah each winter, and local Moslem leaders claim to be descended from the patriarch.

The British rock band The Who

is calling an end to concert appearances after nearly two decades. The group's farewell North American tour will begin Sept. 22 in Maryland. "The Who may continue to record together and may finance additional films like 'Quadrophenia, but the band has de-cided to make a definite break from the road," a New York source told the Los Angeles Times. There has been disagreement within the band for some time now over the issue of live shows, and that caused obvious tensions." The Who's future had been in doubt since the drug overdose death of drummer Keith Moon in 1978. Many Who fans insisted at the time that they couldn't imagine Roger Daltrey, the quartet's lead singer, guitarist Pete Townshend and bassist John Entwistle on stage without the clowning manic. Moon. But The Who recruited a new drummer, Kenny Jones of the band Faces, and returned to the United States in 1979 and 1980. As it now stands, the last Who tour will be divided into two legs, the first ending Oct. 29 in Los Angeles and the second stretching from Nov. 26 in Atlanta to mid-December in Toronto. . . The manager

of an obscure English rock singe has filed a \$1.35-billion suit claim ing that several record companie fraudulently distributed early Bea ties records that were actually made by his client. Dirk Summers manager of Tony Sheridan, said the suit filed in U.S. District Cour in Los Angeles names the Beatle but does not seek any money from them because they apparently did not receive royalties from the songs. Sheridan claims that the Beatles sang backup for him in Hamburg before they made it big The smt maintains that such song as "Skinnie Minnie," "Vec Dee Vec Dee Boom, Stop, Stop," and "Ready Teddy" were fraudulently released as having been performer by the Beatles when in fact the were recorded by Sheridan Record companies from Britain and West Germany were named in the suit. Summers said Sheridar would be going to the United States this month, but he democ that the suit was designed to drum up publicity for the singer.

Former President Richard M. Nixon will visit China next month to mark the 10th anniversary year of his first visit and the thawing of China's relations with the limited States. On Feb. 26, 1982 Phinos and Chinese leaders with the Shanghai Communicative which ended decades of different feets between the two countries. Shown who will wisit Peking Banghai, will be header the price of the property o It may have been spare change for the Saudi billionaire Sheiki

Former President Richard M.

Mohammed al-Raist but the \$40,000 he gave Denoit was a windfall for the city. The sheikle and one of his two wives. Sheiks Abtisam, received the red carpet treatment from city officials when they arrived in Detroit, which has a large Arab community, Al-Fass presented the city with two \$20,000 checks for city beautifies tion, and the city's youth program." The sheikh has also given \$40,000 to Mramar, Flat, and \$25,000 to St. Louis Al-Fassi recently spent six hours in fail over a dispute about his \$1.5-million tab at a hotel in Hollywood, Fla Meanwhile, the \$3-billion divorce suit brought by his first wife, Shetka Dena, is still pending: EDUCATION

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